S. HRG. 99-303

RECREATION USER FEES

HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

OF THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON THE

RECREATION FEES AUTHORIZED IN THE LAND AND WATER CONSERVATION FUND ACT OF 1965, AS AMENDED

JUNE 27, 1985

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Committee on Energy and Natural Resources

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S311-10

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RECREATION USER FEES

THURSDAY, JUNE 27, 1985

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC LANDS, RESERVED
WATER AND RESOURCE CONSERVATION,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:02 a.m., in room SD-366, Dirksen Office Building, Hon. Malcolm Wallop, presiding.

Present: Senators Wallop, McClure, Murkowski, Hecht, and Bumpers.

Also present: Tony Bevinetto and Patty Kennedy, professional staff members; and Thomas B. Williams, professional staff member for the minority.

OPENING STATEMENT OF HON. MALCOLM WALLOP, A U.S. SENATOR FROM THE STATE OF WYOMING

Senator WALLOP. Good morning. Once again it seems clearly more useful that we adjourn it right now and just go sit on the lawn and talk about it. The mood would be better, and what we would accomplish might even be more than we will be able to this morning.

Let me just say by way of opening that I regret seriously that the one agency that could be useful in this morning's testimony is hiding downtown, and that's OMB. They are playing around with budget concepts that are totally irrelevant to what we're trying to examine here. The direct offset from a maintenance budget of fees collected is close to one of the most idiotic concepts I've heard in a long time.

How can there be a direct offset to a budget that hasn't been passed or a recommendation that has not been made? They could come up here and deal with us if that's what is going to be the case. I have no great hopes that they will, but sooner or later that confrontation will be met. And in confronting it in that way, we could be confronting it as reasonable people trying to accomplish something for the good of the Nation.

Following their directions, we're going to have nothing. The symbolism of it will be lost. It is difficult for me to understand why anybody running a national park would spend any time collecting fees if they are not, any of them, going to be used for the benefits of those parks in any part.

So I regret that. I regret that they held all the statements until too late for us to have a good examination of them, for obvious reasons. I regret that we will not be able to hear, but that we develop

it or elicit it through questions and responses, the real thinking of people who are with us, I think, trying to do something both for the budget and for the public lands systems that we all serve.

The purpose of the hearing this morning was to provide an opportunity to examine the matter of increasing the money received by the Federal Government and its park, forest, reservoir, and public land areas used for recreation purposes. Budget recommendations submitted to the Congress this year placed heavy reliance upon the increase of existing fees and the imposition of new fees upon recreation users as a means of generating additional income.

The Congress has not yet received a legislative proposal from the administration to implement these budget recommendations but we are going to provide these oversight hearings today to better prepare ourselves to deal with the legislative proposal, should it be forthcoming.

The proposed expansion of the recreation fee system raises a number of practical and philosophical questions and problems. These include questions of recreation opportunity for low users of the public recreation estate and questions of the administrative practicality in trying to collect fees at areas which can be entered from any number of points.

I will admit to approaching this matter with some strong personal feelings on the subject. These feelings are hereditary and they were developed throughout a lifetime spent in the foothills, on the threshold of vast land holdings of the Federal Government. They were at my doorstep and they were available for hiking, for camping, for hunting, for fishing—just wandering around at will, at my choosing—in season, of course, Mr. Director.

The idea of stopping by a toll gate to enter these rich and pleasant lands does not come easily to one who has enjoyed their availability over the years.

Still, I think each of us is aware that the national financial situation is not what it once was and may not be again for some time to come. There are real and continuing expenses which must be met in order to protect and manage Federal lands for recreation users. Given the troublesome size of the Federal budget deficits, the cost of managing public lands and the continuing demand for access to lands by many people for numerous uses, there is a need to look at our options.

The witnesses may be assured that I eagerly await their presentation of any option which will address all of these considerations in an equitable manner and which will not require excessive or unreasonable fees from recreation users of the Federal lands and waters.

Obviously, we are not the first to address this issue. Entrance and user fees have been with us for a long time in this country, dating at least to the beginnings of the National Park Service. I was more than in passing interested to learn, for instance, that over the first 8 years of the National Park Service's existence, the fees charged on automobiles entering the parks raised from 20 percent to 53 percent of the amount appropriated by the Congress for operation of the National Park System, and I don't believe we even had an OMB at that time.

Now, speaking of fees, and appropriations brings to mind two matters. The first is that our current appropriations for parks are already at what I regard as a minimal level. Fee increases should be used for additional needs, not to reduce these appropriations. Any increased revenues from newer, higher recreation user fees must be treated as additional to the level of support now being provided.

My second matter also relates to the issue of protecting user fees for the benefit of the people who provided those fees. Unfortunately, again, some people downtown did not seem to recognize that the Congress takes that concept seriously, especially when we write it into the law, as we did in the Wallop-Breaux fund last year. In that act we provided that certain taxes on motor boat fuels and fishing gear would be collected and made available specifically for boating, safety, and fishery improvement purposes.

Yet, when the fiscal year 1986 budget appeared, boaters and fishermen found that something had been left out, and it was most of the revenue generated under the taxes they had agreed to pay and indeed they sought to pay. We have since ensured that the trust of those recreationists will not be disregarded and that the Wallop-Breaux moneys will indeed go to the purposes for which they were intended.

Having said this, I can only say that the OMB effort to divert those dollars was a poor showing for those who would propose additional recreation user fees with the glib promise of making them available for recreation purposes.

The Office of Management and Budget has made the task of selling the concept of expanded recreation fees immeasurably more difficult through that breach of faith.

The budget resolution which passed the Senate on May 13 and is now the subject of a House/Senate conference—was the subject of a House/Senate conference—directs the Energy and Natural Resources Committee to make changes in laws within our jurisdiction to achieve savings of $3.014 billion in budget authority in 1986. While most of the savings are assumed to come from a moratorium on funding for the strategic petroleum reserve, the resolution does assume that users of Federal recreation lands and facilities would be required to pay for new or increased recreation fees 25 percent of the costs associated with managing these resources.

According to the administration and the Senate Budget Committee, this would amount to a total fee increase of $82 million. Of this total, $40 million has been assigned to the Energy and Natural Resources Committee, with the other $42 million being split between the Senate Agriculture Committee and the Environment and Public Works Committee.

Yet, since all recreation fees are authorized by the Land and Water Conservation Fund which is under our committee's jurisdiction, there is some legitimate question about the assignment of these fees under the reconciliation process.

But in any event, to comply with these fee-related instructions, it will be necessary for our committee to shepherd through legislation giving the Secretaries of the Interior and Agriculture new authority to collect more fees in areas that currently charge them and to begin charging fees in areas where it is currently unlawful to do

so. And that is the primary purpose of the oversight hearing—to examine the options available to the committee in meeting the directives contained in the budget resolution.

It should be noted that the House-passed budget resolution does not assume these fee increases. Therefore, it is not clear at this point whether the final budget resolution, if there is one, will include these instructions regarding fees, nor is it clear what level of revenue would ultimately be raised, since the only way to ensure that increased fees will result in more income to the Treasury is to require people or force Americans to attend parks and pay fees. And that's the only guarantee that we have out there that any level will be collected.

In any event, this hearing will be helpful since significant fee increases and new fee-raising authority have been sought by the administration since 1981 and will likely be before the committee at some point during this Congress.

Some specific issues which we should examine, and I hope the witnesses will address, are the following:

One, should fees be assessed with the objective of making public land programs self-sufficient?

Two, should fee receipts offset or reduce funds available through the appropriation process? Or should they supplant appropriated funds?

Three, should fees be used to limit access to public lands?

Four, where should entrance fees be imposed? Where should user fees be imposed?

Five, what role should the Presidential Commission on Outdoor Recreation play in determining the public policy on fees?

Six, who, if anyone, should be exempted from the fees?

Seven, the opposite of that, who should pay, how should the payment be made, and who retains and distributes the funds collected?

Eight, what degree of involvement should the private sector have in the fee debates vis-a-vis providing recreational services in nearby areas?

Nine, can special taxation replace the role of recreational fees? Wallop-Breaux?

Both Mr. Bevinetto on my right and Mr. Williams have done intensive background memos which I think should be incorporated into the hearing record in order that the President's new Commission on Outdoor Recreation will have the information assembled in one document for their consideration.

[The memorandums referred to follow:]

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United States Senate
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, DC 20510

June 24, 1985

MEMORANDUM

TO: Members, Energy and Natural Resources Committee

FR: Malcolm Wallop, Chairman, Public Lands, Reserved Water and Resource Conservation Subcommittee

RE: Public Lands, Reserved Water and Resource Conservation Subcommittee Oversight Hearing On Fees Authorized by the Land and Water Conservation Fund Act (P.L. 90-401) As Amended
10:00 a.m., June 27, 1985, Room SD-366

Legislative History of the Federal Recreation Fee Collection Program

The policy of collecting recreation fees at national parks and other Federal areas began prior to the origin of the National Park Service. Fee collection began in Mount Rainier in 1908, Sequoia-Kings Canyon in 1910, Crater Lake in 1911, Glacier in 1912, Yosemite in 1913, Mesa Verde in 1914, and Yellowstone-Grand Teton in 1915.

Fee collection became general executive policy in President Franklin D. Roosevelt's Administration. From 1939 through 1942, a total of 40 units of the National Park System became designated fee areas. No specific authorization to support the expansion of outdoor recreation fee collection existed. However, the Act of August 31, 1951, (65 Stat. 290) authorized that any Federal government "service," "benefit," or "privilege" should be "self-sustaining to the full extent possible."

The Land and Water Conservation Fund Act was the first legislation to authorize specific fees for outdoor recreation. Following is a chronological listing of the legislative actions that have affected the outdoor recreation fee collection program since 1964.

On September 3, 1964, the Land and Water Conservation Fund (L&WCF) Act (P.L. 88-578) created a separate fund to preserve, develop and assure available outdoor recreation resources to the American public. All proceeds from entrance, admission and other recreation user fees collected by Federal agencies would be

credited to this fund. Entrance fees could only be charged at Federal areas where recreation facilities were provided at Federal expense. P.L. 88-578 authorized the President to designate land or water areas administered by Federal agencies where fees would be charged. The Act specifically prohibited fee collection for use of any waters. An annual fee of $7 was established to permit admission to fee areas for the purchaser and persons accompanying him/her in a private vehicle.

On July 15, 1968, Congress amended the L&WCF Act (P.L. 90-401) by: a) earmarking receipts from offshore oil leases to serve as a new revenue source for the Land and Water Conservation Fund; b) guaranteeing a minimum of $200 million per year in the Fund, doubling its previous average; and c) repealing authority for a coordinated approach to Federal recreation fee collection, effective March 31, 1970. Congress repealed the fee program because of disappointing fee revenues, difficulty in collecting daily user fees, overrepresentation in revenue from the National Park Service, lack of public support, and high collection costs. Also, any fees collected on recreation areas were to be credited to a separate fund in the general Treasury, not the Land and Water Conservation Fund.

On August 13, 1968, Congress passed the Rivers and Harbors and Flood Control Act (P.L. 90-483). Section 210 of this Act disallowed entrance or admission fees at public recreation areas located at lakes or reservoirs under the jurisdiction of the Corps of Engineers. User fees were to be collected only for "highly developed facilities" requiring personnel for continuous maintenance or supervision. The Corps suspended fee collection at all Corps-managed areas for almost 2 years until the Secretary of the Army published a list of fee areas consistent with Section 210.

On July 7, 1970, P.L. 91-308 amended the L&WCF Act by extending the original fee authorities of the Act by 21 months, raising the annual permit ("Golden Eagle Passport") to $10, and charging the Secretary of the Interior to submit a report on fee policies to Congress. The law did not mention Section 210 of the Rivers and Harbors and Flood Control Act, thus exempting the Corps of Engineers from participating in the fee program.

On July 11, 1972, P.L. 92-347 outlined the structure of the current Federal recreation fee program. The law included the following provisions:

a. Collection of entrance or admission fees limited to designated units of the National Park System and national recreation areas administered by the Department of Agriculture.

b. Establishment of a $10 annual admission permit, "Golden Eagle Passport," for persons entering in "private, noncommercial vehicles" and fees for single visitors who do not purchase the annual permit.

c. Creation of a free annual entrance permit, "Golden Age Passport," to allow persons 62 years of age and older access to fee areas and a 50% discount on daily user fees.

d. Collection of daily use fees for specialized sites, facilities, equipment or services related to outdoor recreation and furnished at Federal expense.

e. Credit of revenues collected under the recreation fee program to a special account in the Treasury to be administered in conjunction with, but separate from, the revenues of the Land and Water Conservation Fund and to be authorized for outdoor recreation purposes.

f. Compilation of an annual fee report to Congress including revenue collected, number and location of fee areas and visitation at fee areas.

g. Guidelines for use of the Golden Eagle insignia and royalties credited to the Land and Water Conservation Fund.

On August 1, 1973, Congress again passed an amendment to the L&WCF Act (P.L. 93-81). This amendment of the Land and Water Conservation Fund Act prohibited fees for recreational use of facilities or areas used by most visitors. Examples of these facilities cited in the bill included lightly developed or backcountry campsites, picnic areas, boat ramps with no mechanized equipment, drinking water, roads, trails, visitor centers, scenic drives, toilet facilities, and overlook sites. In addition, the law specifically defined prerequisite services needed in campgrounds before user fees could be charged. P.L. 93-81 clarified the definition of a "single visit." The objective of the legislation is to allow park visitors to purchase entrance permits that shall authorize exits and reentries to a single designated area for a period from one to fifteen days. The passage of this law discontinued the collection of use fees at federally operated campgrounds.

On June 7, 1974, Congress again passed an amendment to the L&WCF Act (P.L. 93-303). This amendment provided for:

a. Broader coverage for Golden Eagle and Golden Age access to include non-vehicle entrance.

b. Designation of the Golden Age Passport as a lifetime pass for U.S. citizens and eligible aliens domiciled in the U.S.

c. Prohibition of user fees for services such as drinking water, roads, wayside exhibits, and visitors' centers.

d. Less stringent prerequisites for charging fees in campgrounds, eliminating the requirements for flush restrooms and showers.

e. Contracting of visitor reservation services.

f. Prohibition of admission fees charged at areas operated and maintained by a Federal agency and used for outdoor recreation purposes, other than those fee areas already designated.

g. Availability of Golden Eagle Passports at any Federal recreation fee area rather than at post offices.

h. Availability of at least one primitive campground with no charge at Corps of Engineers lakes and reservoirs where camping is permitted.

Consequently, this amendment reinstated fee collection at federally operated campgrounds.

On October 12, 1979 P.L. 96-87 was signed into law. Primarily, this law authorized a commemorative marker on Appalachian Trail. But, Section 402 of the Act froze entrance fees at all units of the National Park System as of January 1, 1979.

On September 8, 1980 P.L. 96-344 became law. P.L. 96-344 created the Golden Access Passport, a lifetime entrance permit to Federal fee areas for blind and permanently disabled persons. The privilege also extended to a 50% reduction in special recreation use fees. A "single visit" was redefined and limited to a 15-day stay.

On December 12, 1980 the FY 1981 Interior Appropriations Act (P.L. 96-514) amended the L&WCF Act. In this appropriation bill for the Department of the Interior, the revenues from recreation fee collections by Federal agencies would be paid into the Land and Water Conservation Fund. This law changed P.L. 90-401 enacted in 1965 which created a special account in addition to the Land and Water Conservation Fund for revenues collected through recreation fees.

On December 4, 1981, in the FY 1982 Energy and Water Development Appropriations Act, (P.L. 97-88), the Corps of Engineers was exempted from the provisions of P.L. 96-514 and user fees collected by the Corps of Engineers are still deposited in a separate account.

The Golden Eagle/Golden Age/Golden Access Passport Program

The Golden Eagle, Golden Age, and Golden Access Passports allow free unlimited entrance to Federal parks, monuments, and recreation areas. The Golden Eagle Passport is available to anyone for a cost of $10 and is honored for the calendar year in which it is purchased. The Golden Age Passport is a free, lifetime passport available to persons 62 years of age or older who are citizens of or domiciled in the United States. The Golden Access Passport is also a free, lifetime permit. The Golden Access Passport is issued only to persons who have been medically determined to be blind or permanently disabled for purposes of receiving benefits under Federal law. Unlike the Golden Eagle Passport, the Golden Access and Golden Age Passports allow a 50 percent discount on user fees (e.g., camping, boat launching, parking).

Background--Who Does What and to Whom

Seven Federal land managing agencies (Bureau of Land Management, Bureau of Reclamations, Corps of Engineers, Fish and Wildlife Service, Forest Service, National Park Service, and Tennessee Valley Authority) are authorized to charge fees at areas where specialized outdoor recreation facilities, equipment, or services are provided at Federal expense.

The seven Federal land-managing agencies involved in the fee program collect three types of recreation fees: user, special permit, and entrance fees. User fees are charged by all seven agencies for the use of specialized sites, facilities, equipment, or services furnished at Federal expense. Examples of user fees include: camping, boat launching, and parking fees.

Special permit fees are generally considered to be a subset of user fees. Large group activities (e.g., renting a picnic shelter) and special recreational events (e.g., a one time off-road recreation vehicle race) are examples of uses for which a special permit fee might be charged. The Bureau of Land Management charges such fees to outfitters and guides who use Bureau lands for conducting off-road recreation vehicle (ORV) and river running excursions.

The National Park Service is the only agency to collect entrance fees. Entrance fees are charged for gaining access to designated national parks, monuments, recreation areas, seashores, and historic and memorial parks and sites.

The attached tables show amounts of user and entrance fees collected, by agency, from 1980 to 1984.

Administration Proposals - A Recent History

The National Park Service undertook a study of its visitor fee system in 1976-77. It found that in 1976, entrance and/or user fees had been levied at 116 units of the System (less than half the total) and had yielded $16.9 million: $9 million (53%) from entrance fees, $6.4 million (38%) from user fees, and $1.6 million (9%) from Golden Eagle sales. Of the 66 parks charging entrance fees, 10 collected two-thirds of the revenue; of the 77 charging user fees (mostly for camping), 10 collected three-fifths of the total. It was clear that entrance fees were more profitable than user fees and that a few areas--for the most part the large western parks--brought in a disproportionate share of revenues in both categories.

The latter factor made Service managers reluctant to adopt an incentive system, proposed by Interior officials, whereby parks collecting more fees would receive more in return. As the study report noted, fee receipts were not necessarily within a park's control; an incentive system might cause superintendents to overly stress collection, and the parks that received the most revenue were not always those most in need of more money.

Under heavy pressure from OMB, which slashed $12 million from the Service's fiscal 1980 budget request and advised it to raise the money itself, the Service planned more and higher fees to become effective that year. The additional revenues, forecast at more than 70 percent over the 1978 level, were to go for park maintenance. The Congressional subcommittees on parks condemned the proposed increase.

Congress passed legislation freezing entrance fees at their January 1, 1979 levels and forbidding them where they did not then exist. Greater income from the most lucrative revenue source was thus sharply limited, leaving camping and other user fees the only means of significantly increasing the visitor's share of park costs.

The National Park Service fee collection program suffered a futher blow in 1980, when Congress required all fee income to be deposited again in the Land and Water Conservation Fund. The effect was to virtually eliminate whatever financial incentive remained to park managers: their costs could no longer be reimbursed from their receipts, as they were under the special account, and their parks would benefit little or not at all from the proceeds.

The Reagan Administration was in full agreement with the outgoing Carter Administration on visitor fees as a desirable way to offset general revenue appropriations for the parks and other federal recreation areas. It sought to regain the initiative with its "Recreation Fees and Improvements Act of 1982," a draft

bill sent to Congress that February. Returning to an interagency approach, the bill would authorize all federal recreation providers to collect entrance fees, repeal most legal restrictions on collection, eliminate the $10 ceiling on the Golden Eagle, and enable each agency's revenues to be returned to a special account for its use. But a provision allowing agencies "to require an admission permit for the occupancy and use of Federal lands for hunting and fishing" caused such an outcry that the bill was hastily withdrawn.

The administration tried again in July with a bill titled "National Park System Fee Dedication and Park Improvement Act of 1982," a more modest proposal affecting only the Park System. The new bill would place the Service's fee receipts in a special appropriations account for "the repair, maintenance, and improvement of facilities, the provision of safety and service, and the restoration, protection, and preservation of natural and cultural resources, for the benefit and enjoyment of visitors to the National Park System." The freeze on entrance fees would be eliminated (but not the $10 ceiling on the Golden Eagle).

Congress did not act on the bill before adjournment. A similar bill was transmitted to the next Congress in March 1983, but died at the end of the 98th Congress.

A General Accounting Office study of park entrance fees in 1982 documented how low they were by historical standards and relative to those at comparable private attractions. It suggested that the fees be raised an average 150 percent, commensurate with a Golden Eagle increase to $25. It also noted some of the incidental benefits of entrance fee collection, such as the contact engendered between Service personnel and visitors.

A carload now pays $3 for admission to Yosemite, currently the highest entrance fee area in the National Park System. Considering that the maximum fee levied in 1926 was also $3 (at Yellowstone), the national parks must be among the biggest tourist bargains anywhere. Whether they should be quite such bargains remains a matter for debate.

The administration in its FY 86 Budget request assumes a government-wide initiative to increase recreation user fees to recover 25% of the Federal costs of providing recreation opportunities to the public. The administration and the Senate Budget Resolution assume receipts of $82 million in FY 86, $85 million in FY 87, and $89 million in FY 88. The Resolution assumes that $40 million will be achieved by the Energy and Natural Resources Committee, $21 million each from Senate Agriculture and Environment and Public Works Committees. The Energy and Natural Resources Committee has contested this assumption and asserts jurisdiction over fees as authorized by the Land and Water Conservation Fund Act.

ISSUES

1. Should fees be assessed with the objective of making public land programs self sufficient?

2. Should fee receipts offset or reduce funds available through appropriations? Or should they supplant appropriated funds?

3. Should fees be used to limit access to public lands?

4. Where should entrance fees be imposed? Where should user fees be imposed?

5. What role should the Presidential Commission on ORRR play in determining the public policy on fees?

6. Who, if anyone, should be exempted from fees?

7. Who should pay, how should the payment be made and who retains and distributes the funds collected?

8. What degree of involvement should the private sector have in the fee debates: vis-a-vis providing recreational services in nearby areas?

9. Can special taxation replace the role of recreational fees? Wallop-Breaux?

The Hearing

Representatives of the seven Federal land managing agencies who currently charge fees under the L&WCF Act have been invited to testify along with OMB.

Attachment

Amount ($) of User Fees Collected by Agency, 1980-1984

AGENCY	YEAR 1980	1981	1982	1983	1984
Bureau of Land Management	$ 134,900	$ 57,700	$ 66,200	$ 87,780	$ 122,050
Bureau of Reclamation	591,400	581,800	631,400	597,400	576,700
Corps of Engineers[a]	5,227,100	6,035,900	8,074,200	8,728,400	10,422,200
Fish and Wildlife Service	57,300	27,100	33,500	69,000	129,400
Forest Service[b]	6,687,000	8,517,896	11,188,886	11,332,683	11,918,300
National Park Service[c]	6,517,300[d]	6,565,300	9,920,900	11,073,700	11,445,900
Tennessee Valley Authority	429,600	502,100	642,930	418,630	444,200
TOTAL	19,644,600	22,287,796	30,558,016	32,307,593	35,058,750

a User fee management units apply to overnight camping units only.
b "Special permit fee units" contain the same facilities as user fee units, but are available on a reservation basis. Therefore, information on special management units is combined with user fee information.
c For purposes of this report, National Park Service "management units" are generally individual national parks and national monuments.
d Does not include Great Falls National Park, Virginia, where entrance fees are collected by Fairfax County to retire a debt from a land exchange. Collection of fees was discontinued in 1981 when the previous agreement was consummated.

Amount ($) of Entrance Fees Collected by the National Park Service, 1980-1984*

AGENCY	YEAR 1980	1981	1982	1983	1984
National Park Service	$ 7,179,700	$ 8,257,505	$ 7,549,400	$ 8,640,200	$ 8,233,300

* The National Park Service is the only agency which collects entrance fees

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United States Senate
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, DC 20510

June 25, 1985

MEMORANDUM

TO: Democratic Members
Senate Committee on Energy and Natural Resources

FROM: Tom Williams, Professional Staff

RE: Oversight Hearing on Recreation Fees

On Thursday, June 27 at 10:00 a.m., the Subcommittee on Public Lands, Reserved Water and Resource Conservation will conduct an oversight hearing on recreation fees. Representatives from the several land managing agencies as well as several interest groups will appear before the Subcommittee to discuss the fee issue.

Purpose of the Hearing

The Budget Resolution which passed the Senate on May 13 and is now the subject of a House/Senate conference, directs the Energy and Natural Resouces Committee to make changes in laws within our jurisdiction to achieve savings of $3.014 billion in budget authority in FY 1986. While most of the savings are assumed to come from a moratorium on funding for the Strategic Petroleum Reserve, the Resolution assumes that a portion of the savings will come from increased recreation user fees. Specifically, the Resolution assumes that users of federal recreation lands and facililities would be required to pay, through new or increased recreation fees, 25 percent of the costs associated with managing these resources.

According to the Administration and the Senate Budget Committee, this would amount to a total fee increase of $82 million. Of this total, $40 million has been assigned to the Energy and Natural Resources Committee with the other $42 million split between the Senate Agriculture Comittee and the Environment and Public Works Committee. Since all recreation fees are authorized by the Land and Water Conservation Fund which is under our Committee's jurisdiction, there is some question about the assignment of these fees under the reconciliation process.

In any event, to comply with these fee related instructions, it will be necessary for the Committee to enact legislation

giving the Secretary's of the Interior and Agriculture new authority to collect more fees in areas that currently charge them and to begin charging fees in areas where it is currently unlawful to do so. That is the primary purpose of the oversight hearing -- to examine the options available to the Committee in meeting the directives contained in the Budget Resolution.

It should be noted that the House-passed Budget Resolution does not assume these fee increases. Therefore, it is not clear at this point whether the final Budget Resolution will include these instructions regarding fees. Nor is it clear what level of revenue would ultimately be raised since the only way to insure that increased fees will result in more income to the Treasury is to require (force) people to attend parks and pay the fees!

In any event, the hearing will be helpful since significant fee increases and new fee raising authority have been sought by the Administration since 1981 and will likely be before the Committee at some point during this Congress.

Background/Legislative Authority

The collection of fees from users of federal park and recreation areas dates back at least to 1908 when fees were instituted at Mount Ranier National Park, Washington, the first park to admit automobiles. Automobiles and fees for their entry followed at a number of parks during the next decade. The charges for auto permits were justified as offsetting the costs of road building in the parks. Over the next 50 years, the fee collection system grew and spread to other land managing agencies through a series of special laws, regulations, and administrative decisions.

1964 marked the passage of the Land and Water Conservation Fund Act (P.L. 98-578) and with it the first comprehensive recreation fee authority for land managing agencies. Through a series of amendments enacted during the past 20 years, the Land and Water Conservation Fund now authorizes the seven federal land managing agencies to charge certain types of fees at areas where specialized outdoor recreation facilities, equipment, or services are provided at federal expense. These agencies are the National Park Service, Fish and Wildlife Service, Bureau of Land Management and Bureau of Reclamation of the Department of the Interior; Forest Service of the Department of Agriculture, Corp of Engineers of the Department of the Army and the Tennessee Valley Authority. Those agencies collect three types of recreation fees; user, special permit, and entrance fees.

User Fees

User fees are charged by all seven agencies for the use of specialized sites, facilities, equipment or services furnished at federal expense. By far, the most common fees in this category are fees for camp and trailer sites.

Under the provisions of the Land and Water Conservation Fund, fees cannot be charged for the use of any campsite unless the campground in which the site is located has all of the following:

1) tent or trailer spaces;
2) drinking water;
3) access road;
4) refuse containers;
5) toilet facilities;
6) personal collection of the fee by an employee or agent of the bureau operating the facility;
7) reasonable visitor protection; and
8) simple devices for containing a campfire.

Fees may also be charged for boat launching if the launching area is equipped with specialized facilities or services such as mechanical hydraulic lifts.

User fees account for, by far, the largest amount of fee revenue. Of the $44,135,560 of recreational fees collected in FY 1984, $35,058,750 were user fees. Table 1 lists user fees by agency for fiscal year 1984.

Table 1

AGENCY	USER FEES COLLECTED IN FY 1984
Bureau of Land Management	$ 122,050
Bureau of Reclamation	576,700
Corps of Engineers	10,422,200
Fish and Wildlife Service	129,400
Forest Service	11,918,300
National Park Service	11,445,900
Tennessee Valley Authority	444,200
TOTAL	$35,058,750

Special Permit Fee

The Land and Water Conservation Fund also authorizes federal land managing agencies to charge special permit fees for users such as group camping, recreation events, motorized recreation vehicles, etc.. In FY 1985, $843,510 in special permit fees were collected.

Entrance Fees

The final category fo fees authorized by the Land and Water Conservation Fund is entrance fees. Only the National Park Service currently collects entrance fees although the law permits their collection at National Recreation Areas administered by the Department of Agriculture. The Land and Water Conservation Fund states that:

> "No admission fees of any kind shall be charged or imposed for entrance into any other federally owned areas which are operated and maintained by a federal agency and used for outdoor recreation purposes."

Entrance fees are currently charged at 65 units of the National Park Service. In FY 1984, $8,137,629 in entrance fees were collected at these units. Table 2 lists each unit, the amount charged, whether that amount is per vehicle or per person, and the revenue generated. (See Table 2)

Entrance Fee Freeze

Sec. 402 of P.L. 96-87 imposed a freeze on Park Service entrance fees at the level in effect on January 1, 1979. This provision also prohibited the imposition of entrance fees at any park units where such fees were not being charged as of that date. This freeze was adopted in response to a proposal by the Carter Administration to increase Park Service fees (entrance and user) by 70% in one year and use the funds collected for park maintenance activities. Both the size of the increase and the proposed linkage to maintenance activities resulted in the entrance fee moratorium. That freeze is still in effect although the Reagan Administration and others have recommended its repeal since 1981.

Golden Eagle/Golden Age/Golden Access Passport Programs

The Land and Water Conservation Fund authorizes the issuance of three special "passports" that may be used in lieu of certain fees. The Golden Eagle Passport is an annual entrance permit

that may be used an unlimited number of times during one calendar year at any National Park Service area that charges an entrance fee. Its annual cost of $10 is prescribed by the Land and Water Conservation Fund Act. In FY 1984, $1,175,060 were collected through the sale of Golden Eagle Passports. All but $3,290 were collected by the National Park Service.

The Golden Age and Golden Access Passports are free to those persons over 62 (Golden Age) or blind or disabled (Golden Access). These passports permit these persons free lifetime admission to parks where entance fees ar charged as well as a 50 percent discount on federal use fees charged for facilities and services such as camping.

Disposition of Fee Revenues

The Land and Water Conservation Fund originally included a provision crediting all fee revenues into the Land and Water Conservation Fund to be used, subject to appropriation, to acquire park lands. In 1972, the law was amended to cover the fee revenues into a separate Treasury account to be used, subject to appropriation, "for any authorized outdoor recreation function of the agency by which the fees were collected." This special account was envisioned as an incentive for fee collection by the land managing agencies. In practice, however, OMB continually reduced the agency's budget request by the amount collected in fees so the incentive to raise "extra" money for the lands involved quickly disappeared. In the 1981 Interior Appropriations Act, the separate fee account was abandoned and the fees deposited once again into the Land and Water Conservation Fund where they are to be used for land acquisition and state planning and development grants.

Recent Legislative Interest

As noted earlier, the Reagan Administration has supported increased recreation fees since its first budget submitted in 1981. The cornerstone of the Administration's philosophy is that those who benefit directly from specific federal services should pay the cost (or a portion of the cost) of providing those services. In each of its budget submissions the Administration has indicated that it would be transmitting comprehensive recreation fee legislation covering all land managing agencies. This legislation would presumably involve fee increases where such fees are deemed too low (e.g. entrance fees at parks and Golden Eagle Passports) as well as providing authority for agencies to charge new and different fees in instances where that authority does not now exist (e.g. admission fees for National

Forest System or BLM lands and fees for primitive camping, picnicing, etc.)

Despite these repeated statements of intent, no comprehensive fee legislation has been sent forward and introduced since President Reagan took office. The closest anything has come was the "Recreation Fees and Improvement Act of 1982" that was transmitted but later "withdrawn" because of "misunderstandings" about its content. In fact, that proposal would have permitted the sale of entry permits for access to federal lands for hunting and fishing purposes. In a press release on February 26, 1982, Subcommittee Chairman Malcolm Wallop stated:

> "It (the bill) is a disaster and there is no way I would have any part of legislation requiring permits on public lands for hunting and fishing."

Although this legislation was a comprehensive revision of the recreation fee program, the federal hunting and fishing license provisions doomed it from the start. It has never been re-transmitted. A bill limited to only the National Park Service was later forwarded but no action was ever taken by the Congress. The United States Forest Service transmitted a proposal in the 98th Congress that was limited solely to the Forest Service. It focused on expanding the types of facilities where the Forest Service could charge user fees (i.e. the level of campground development required, etc.). The legislation was never considered.

This year, a number of draft proposals have been circulated by the Administration but nothing formally transmitted. A new Forest Service proposal contemplated entrance or admission permits for access to National Forests. Such a proposal was not greeted enthusiastically by many, including Senator McClure who told Department Assistant Secretary of Agriculture Douglas MacCleery at the Forest Service budget hearings in March:

> "I say only half facetiously that your attempt to charge an entrance fee to use the public lands will be the greatest boon the National Rifle Association ever had, because every on of our citizens is going to want to own a gun."

At last check, there was yet another draft comprehensive fee proposal being circulated informally, this time by OMB. The thrust of this draft seems to be that it would be an "interim" proposal pending the report of the President's Commission on Outdoor Recreation. Although this Commission was created by Executive Order in January, the members have still not been chosen. It is not clear when (or even if) the Commission will have its first meeting. If such a Commission ever does get established, it is certain to examine fee options and policies.

Major Issues to Consider

You may wish to consider the following issues or concerns regarding recreation fees at Thursday's hearing.

Philosophy

- How valid is the Administration's (and other's) view that users of federal recreation lands should pay a larger share?

- Is this concept more applicable to user fees such as camping than to entrance or admission fees?

- How much of a burden should the visitor bear? The Senate Budget Resolution comtemplates 25 percent. Is that not enough or too much? How does one determine such a figure?

- Do other users of the federal lands (e.g. those who graze cattle, or cut timber, etc.) also bear a fair share of the costs associated with the federal investment in those activities?

Level of Fees

- Assuming that fees are increased, how much of an increase is reasonable? In economic terms, how "price elastic" is the demand for visits to federal lands? Studies have shown that in theory people are willing to pay higher fees but does this willingness as determined by surveys translate into a willingness to really pay higher fees?

- Although entrance fees are frozen, user fees are not. Since FY 1980, user fees have increased from $19,644,600 to $35,058,750 in FY 1984 -- a 44% increase. How much more should these fees be increased?

- National Park entrance fees which are frozen at 1979 levels currently total approximately $8.2 million and range from $0.50 to $3.00 per vehicle. How much additional revenue should these fees bring in? How fast should they rise, if at all? Is it reasonable to charge the public $3.00 - $6.00 per vehicle to drive into a park and spend only a few hours?

- Should a new fee policy be implemented with new authority for higher fees, how do Congress and the agencies ensure that OMB won't use this new authority as a means to make unrealistic budget assumptions and demands for higher and higher levels of revenue?

How Should The Fees Be Used

- Once collected, how should the fee revenues be used? Should they be returned to the agency or even the specific unit or should they be used as they are now to acquire new recreation lands? Is it reasonable to make these funds subject to appropriation or should they be available without further appropriation?

- If the fee revenues are credited to the agencies, will OMB insist that regular operating budgets be reduced accordingly? It should be noted that Congressional concern about an explicit linkage of this sort resulted in the entrance fee freeze in the first place.

Admission Fees for Forest Service and BLM Lands

- Without huge park entrance and user fee increases, the only way to meet the Administration's goal of collecting $82 million in new fees seems to be to institute some type of entrance fee for National Forests and the BLM. Does it make sense to charge the public an entrance fee for these types of federal lands? How do you collect such fees when there may be literally hundreds of access points?

Should you have any questions about the upcoming hearing or desire any additional information, please do not hesitate to contact me at 4-7145.

TABLE 2

NATIONAL PARK SERVICE ENTRANCE FEES

PARK AREA	FY 1984 ENTRANCE FEES FEE	TYPE	REVENUE
ADAMS NHS	$0.50	PER	5,267
ANDREW JOHNSON NHS	$2.50	PER	1,898
APPOMATTOX COURT HOUSE NHP	$1.00	VEH	25,182
ARCHES NP	$1.00	VEH	33,536
AZTEC RUINS NM	$1.00	VEH	13,160
BADLANDS NP	$1.00	VEH	111,752
BANDELIER NM	$1.00	VEH	30,840
BLACK CANYON OF THE GUNNISON NM	$1.00	VEH	25,948
BRYCE CANYON NP	$2.00	VEH	13,762
CANYONLANDS NP	$1.00	VEH	38,816
CAPE COD NS	$1.00	VEH	138,184
CAPULIN MOUNTAIN NM	$1.00	VEH	9,768
CASA GRANDE NM	$1.00	VEH	23,917
CASTILLO DE SAN MARCOS NM	$0.50	PER	215,943
CHICKAMAUGA/CHATTANOOGA NMP	$0.50	PER	9,412
CHIRICAHUA NM	$1.00	VEH	8,655
COLONIAL NHP	$2.00	VEH	75,975
COLORADO NM	$1.00	VEH	21,955
CRATER LAKE NP	$2.00	VEH	142,751
CRATERS OF THE MOON NM	$1.00	VEH	13,614
DEATH VALLEY NM (Scotty's Castle)	$1.00	PER	267,608
DEVILS TOWER NM	$1.00	VEH	38,076
EDISON NHS	$0.50	PER	8,344
EL MORRO NM	$1.00	VEH	5,427

TABLE 2 cont.

PARK AREA	FY 1984 ENTRANCE FEES FEE	TYPE	REVENUE
EVERGLADES NP	$2.00	VEH	165,533
FORT DAVIS NHS	$1.00	VEH	10,414
FORT PULASKI NM	$1.00	VEH	13,636
GLACIER NP	$2.00	VEH	232,879
GRAND CANYON NP	$2.00	VEH	884,779
GRAND TETON NP	$2.00	VEH	258,583
GREAT SAND DUNES NM	$1.00	VEH	37,915
GULF ISLANDS NS	$1.00	VEH	187,291
HOME OF FRANKLIN D ROOSEVELT NHS	$1.50	PER	92,683
JOHN F KENNEDY NHS	$0.50	PER	4,162
JOHN MUIR NHS	$2.50	PER	3,854
LASSEN VOLCANIC NP	$1.00	VEH	65,836
LEHMAN CAVES NM	$1.00	PER	29,552
LONGFELLOW NHS	$0.50	PER	5,284
MESA VERDE NP	$2.00	VEH	177,188
MINUTE MAN NHP	$0.50	PER	2,533
MONTEZUMA CASTLE NM	$1.00	VEH	87,515
MORRISTOWN NHP	$0.50	PER	10,177
MOUNT RAINIER NP	$2.00	VEH	275,812
NATURAL BRIDGES NM	$1.00	VEH	5,663
PETRIFIED FOREST NP	$1.00	VEH	122,328
PINNACLES NM	$1.00	VEH	20,440
PIPE SPRING NM	$0.50	PER	5,136
ROCKY MOUNTAIN NP	$2.00	VEH	555,931

TABLE 2 cont.

PARK AREA	FY 1984 ENTRANCE FEES FEE	TYPE	REVENUE
SARATOGA HILL NHS	$2.50	PER	24,458
SAGUARO NM	$1.00	VEH	16,822
SAINT-GAUDENS NHS	$2.50	PER	3,852
SCOTTS BLUFF NM	$1.00	VEH	10,550
SEQUOIA NP & KINGS CANYON NP	$2.00	VEH	359,487
SHENANDOAH NP	$2.00	VEH	668,465
STATUE OF LIBERTY NM	$2.25	PER	46,675
THEODORE ROOSEVELT BIRTHPLACE NHS	$2.50	PER	3,839
THEODORE ROOSEVELT NP	$1.00	VEH	17,826
TONTO NM	$1.00	VEH	6,548
TUMACACORI NM	$1.00	VEH	11,231
TUZIGOOT NM	$1.00	VEH	13,358
WALNUT CANYON NM	$1.00	VEH	20,612
WHITE SANDS NM	$1.00	VEH	71,474
YELLOWSTONE NP	$2.00	VEH	578,651
YOSEMITE NP	$3.00	VEH	1,534,475
ZION NP	$2.00	VEH	254,416
TOTAL			8,137,629
(NUMBER OF AREAS)			(65)

Senator WALLOP. Clearly this is an issue which I think this committee should review in depth and in a comprehensive fashion.

Our array of departmental and private witnesses will certainly have some very interesting views and information to contribute this morning, so it is now my purpose to move on.

Senator Hecht?

Senator HECHT. Thank you, Mr. Chairman. You state the case very eloquently and there is no reason to go any further. Thank you very much.

Senator WALLOP. Thank you.

Senator McClure?

STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. Mr. Chairman, thank you very much. I commend the statement you have made, and I commend its thoughtful listening to and reading to those who have to address this question because I think you summarized a great many of the concerns that many of us have had over a number of years with respect to this issue.

I am pleased that the oversight hearing has been scheduled. On May 16 as part of the Senate discussion of the budget resolution, I commented on what I thought was possible and where I thought revenue estimates were exceeding proper management consideration.

Rather than repeat those comments, I would ask that a copy of those remarks be included in the record of this hearing.

Senator WALLOP. By all means.

[Chairman McClure's statement from the Congressional Record dated May 16, 1985 follows:]

RECREATION USER FEES

Mr. MCCLURE. Mr. President, the various administration proposals for the budget resolution made some rather elaborate assumptions as to the amount of additional revenues which can be obtained from an increase in recreation user fees. I do agree that some increase in such fees is possible and, in fact, should be obtained. The resolution, however, assumed an overly simplistic formula that the Federal Government should recover 25 percent of administrative costs. That assumption fails to consider the varieties of public lands, the purposes for which such lands are managed, or the real impact of an increase across the board. The assumption also is defective in that it asserts that visitor use would remain constant regardless of the size of the fee when in fact revenues are a product of the fee times the number of people paying the fee.

Anyone familiar with the Metro system here in Washington should realize that ridership is a function of the price and the convenience and that, at a certain point, as the cost increases the ridership declines—the net revenue results seem always to be less than the projections. The resolution assumption also fails to consider the increase in costs associated with collections. It conveniently ignores how we are going to police one-third of this Nation so that citizens pay their fair share for watching the Sun go down across the public domain.

There are certain areas where the Federal Government has invested funds to provide recreational facilities, and it would be rational to expect those who take advantage of those facilities to pay a reasonable fee for their use. I do object to any suggestion that we are going to start charging fees to cross Federal land, hunt or fish, walk or hike, or watch the clouds. We are not going to institute a sliding scale in the Tetons where people pay 10 cents for every elk they happen to see nor are we about to deputize the Florida panther population to begin a pay or be eaten campaign. The Federal Government does a variety of things for the American people as

a whole, for this and future generations, and those obligations should be borne by the people as a whole.

I am certain that by now everyone has seen the April 15 grey covered document entitled Senate/Administration Deficit Reduction Plan. It compares the National Park system with Disneyland and the San Diego Zoo. That would certainly come as a surprise to Teddy Roosevelt, John Muir, and Stephen Mather. OMB will probably next propose that we put golden arches in Canyonlands. The truth is that we do not encourage the Federal Government to provide significant services in the National Parks, but rather use concessionaires.

The Federal Government through the National Park Service has one mission only for the National Park System and that is:

"To conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Indiana Dunes, Zion, the Grand Canyon, Gates of the Arctic, Yellowstone, Yosemite, Redwoods, Vicksburg, Gettysburg, Shiloh, Shenandoah and Great Smokies, Haleakala, Canyonlands, Crater Lake, North Cascades, and the list goes on. These are not Disneyland nor are they the San Diego Zoo.

It is true that some increase in the entrance fees can and probably should be obtained over a period of time and based on careful studies. Those fees however should be based on Park management not on some gnome's magical formula based on administrative costs. We are not about to recover 25 percent of the salary of the Secretary of the Interior from visitors to the national parks, nor are we about to take pennies from schoolchildren visiting Independence Hall to cover 25 percent of the costs of OMB analysts.

Aside from the national parks, the Federal Government does provide some recreational facilities at places such as Corps of Engineers and Bureau of Reclamation sites, and I agree that where the Federal Government has invested in more than minimal facilities or health and safety that the user should be expected to pay a fair share of the cost of such facilities. There is no administrative cost however to the Federal Government to have the Sun daily set in the West, nor should we charge people to watch it. We are not going to start metering homes in Jackson Hole and charge them for a sunset.

Mr. President, given the problems with the budget, I do not have a problem with the Committee on Energy and Natural Resources being asked to consider and report legislation addressing recreation user fees. I wish that a full and comprehensive study could be initiated first rather than developing revenue estimates first, but this is not the only area of the budget where numbers dictate over sound policy.

It would be nice to have the results of the newly created Outdoor Recreation Resources Review Commission, but it may be possible to achieve some increase in revenues over a period of time without turning our natural heritage into Disneyland and without dramatically increasing personnel and costs to enforce and collect those fees. I want to make it clear that we are not going to initiate hunting or fishing fees, but intend to focus clearly and specifically on those sites and areas where the Federal Government has actually made an investment for the direct benefit of visitors.

Although the Committee on Energy and Natural Resources and its predecessor, the Committee on Interior and Insular Affairs, has carefully considered the questions surrounding fees over the years before OMB lifted the veil from our eyes, we will need considerable help in achieving anything which is remotely rational. We will need far more if we must actually achieve the OMB asumptions underlying the resolution. We will need considerable help in determining how the citizens of Massachusetts can best contribute to the administration of Cape Code National Seashore short of borrowing a shark from the San Diego Zoo to collect entrance fees. It will be difficult to patol the entire beach, but perhaps we will be able to make suntans circumstantial evidence of failure to pay the fee. I look forward to the wise suggestions from the senior Senator from Alaska on the proper level for fees to use the transportation system at Denali, and of course Gateway, Golden Gate, Cuyahoga, and Jean Laffite, not mention Chattahoochee should all make their contribution. I am certain that the delegations from those State which have Corps of Engineer reservoirs will be lining up to cosponsor the legislation to impose user fees on those sites, so I am optimistic that the committee will have no problem in implementing the assumption underlying the resolution.

It probably is only fair to mention some of the present limitations of existing law which will have to be re-examined. Out of the many years of legislation dealing with fees we have agreed that fees should not be charged to the blind or premanently disabled.

We have also agreed that there should not be a charge for drinking water, wayside exhibits, roads, overlook sights, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps where specialized services such as lifts are not provided. Turning the George Washington Memorial Parkway and Beach Drive into toll roads should help us considerably, and we can probably expect to see that proposal emerging in the near future since it would be in the finest traditions of the Office of Management and Budget.

Present law also requires the Corps of Engineers to provide at least one primitive campground without fee at sites where camping is permitted. Fees are also prohibited at campgrounds if there are not toilet facilities and drinking water as well as reasonable visitor protection. I have not heard anyone offering an amendment to fund improvements in these campgrounds so that fees could be collected under existing law.

I think it is also fair to mention that user fees are annually adjusted to reflect the fair value of such services based on similar services in the area offered by either private or public entities. That does not portend a very elastic demand for Federal facilities to radically increase fees.

Had it been possible, I would have offered an amendment which would have decreased the amount of revenues which would have been achieved. My intent would not have been to eliminate the subject from serious consideration, but rather to set a mark which would have had some chance of enactment. We do a considerable disservice not only to the American people but also to ourselves and this institution when we make promises which we are unable to keep or when we set goals which are unreachable.

I would be willing to attempt to achieve approximately half of the assumption over 3 years. I do not know it that would be possible until we have had hearings. I do not know whether a simple increase in fees would result in any additional revenues at all. Perhaps if we eliminated concession operations and directly collected fees we would, at least on paper, show some increase, but I wonder what the cost would be for the Federal Government to provide the kind and level of services which concessions now provide.

In offering my amendment I would be simply attempting to inject some sense of reason into this process. I do not hold out any great hope that we would be able to accomplish what my amendment would have proposed. I can assure you that the assumptions in the resolution are impossible. I am willing to try to accomplish some revenue enhancement, I am not prepared to tilt at windmills.

In addition to the setting of fees, there is the problem of collections. I assume that no one is proposing to hire thousands of new Federal employees to collect the fees, so we will need to consider alternatives. One alternative, of course, is that since almost everyone in the United States at some time or another uses Federal areas, we could annually collect a fee of about $1 which would entitle everyone of use the facilities as provided by current law, paying an additional amount at those areas where significant services are provided.

To make it easy, and to avoid needless paperwork, we would take advantage of existing Federal agency support and collect the $1 from families on or about April 15 of each year. That approach would allow American people to not only contribute to the direct use benefits but also to the indirect benefits which accrue to all generations from the preservation of our natural heritage. I realize that would be a radical suggestion, completely at variance with current practice, but it does have some appeal to those of us who have dealt with this issue over the years.

I do have one question which I almost fear to ask and, that is if we plan to recover 100 percent of the salary of the Secretary of the Interior as administrative costs on the mineral leasing receipts returned to the States, and also recover 100 percent from timber receipts, and 25 percent from recreation fees, will we need to increase the salary of the Secretary to cover our savings? Or maybe if he takes a pay cut we will not be able to balance the budget—this is all very confusing.

I do look forward to the overwhelming support which the implementing legislation for the amendment is certain to elicit. I would like to encourage my colleagues to carefully consider the various sites within their States which have no national significance, or which at best are only junior varsity versions of Disneyland, and let me know their names so that we can expeditiously report our legislation.

The CHAIRMAN. I look forward to receiving the testimony today, but I'd like to make my position clear. While I'm willing to look at the issue of fees, I am not prepared to sacrifice proper management or public access to an arbitrary revenue estimate. I am not pre-

pared to even consider either direct or indirect efforts to include hunting or fishing fees as a general proposition.

As a matter of fact, if there are special considerations in special areas, they are going to have to be addressed as exceptions, and I'm going to be extremely cautious with the precedent that sets exceptions to the general rule might raise. I intend to insist that any additional administrative costs associated with any proposal be explicitly stated.

I do not want to encourage a cycle where we need to increase administration in order to collect fees, driving up the cost of fees to cover increased administration. That seems to me to be a profitless endeavor.

I do agree that where the Federal Government directly expends funds for more than rudimentary benefits to visitors, the user should expect to pay a reasonable fee. However, I completely reject the argument advanced by some that the national parks are nothing more than the Federal equivalent of Disneyland or the San Diego Zoo.

I do not want to even entertain the possibility that we should be encouraged to build facilities solely for the purpose of raising revenues, or acquiring lands not for resource protection, but to raise revenues.

There are more than enough studies already which demonstrate that the public may be the major threat to some of our most precious resources and that the problems of reconciling resource protection with public access is one of the most difficult tasks facing our Federal land managers. I do not want to encourage any decision to prevent resource deterioration for the sake of raising additional revenue.

Mr. Chairman, I look forward to the testimony, reading that testimony, and to the deliberations which will follow.

Thank you very much.

Senator WALLOP. Thank you, Senator McClure. I appreciate your being here this morning and the interest that you have shown, both as chairman of the full committee, and as am I and Senator Hecht, representatives of public lands, public resource, and public recreation opportunities throughout States that we serve.

I think we have perhaps a little more sensitivity to the consequences of management decision as well as fee decisions than many. And I think we can come to grips with it, both more directly and more honestly than can some who don't have those major kinds of facilities and diversity of facilities in their State.

The CHAIRMAN. Mr. Chairman, would you yield for just a moment?

I want to also underscore one other thing that deals with hunting and fishing in particular. This committee, and certainly this Senator, have been absolutely unbending in devotion to the principle that in the public lands generally, not the national parks and wildlife refuges which have somewhat different mandates. Public lands generally, the Federal Government is the manager of the public land resource and the habitats on that resource, have that responsibility. But the resident fish and game species are the responsibility of the State in which that public land is located. And I

think we must maintain adherence to that principle as we go through this question of fee.

Senator WALLOP. I thank you very much.

I will insert in the record at this point a statement from Senator Johnston.

[The prepared statement of Senator Johnston follows:]

STATEMENT OF SENATOR JOHNSTON

RECREATION FEE OVERSIGHT HEARING

Mr. Chairman, I appreciate your scheduling this oversight hearing today on recreation fees. It is an important issue that needs to be considered carefully by this Committee and the Congress, and I look forward to working with you in developing a fair and workable proposal.

I think that a consensus can be reached on this issue only if we approach the problem not from how much revenue we can raise but how fees fit in the whole scheme of federal recreation and land management. The President's FY 1986 budget assumes in excess of $80 million in recreation fees, including entrance fees for forests and public lands. I think that anyone who has worked on this issue as long as I have will agree that such a figure and assumptions are simply unrealistic. I am hopeful that the Administration is prepared to move beyond this proposal so that we can make some progress.

While I am not opposed to the charging of reasonable recreation fees, I cannot support the view that national parks, forests, and recreation areas must pay for themselves or that visitors to these areas should be expected to bear an unreasonable portion of the cost of maintaining these areas. These are federal lands, already owned by the people and supported by their tax dollars. I fear that if we fall into the trap of significantly cutting back on general revenues to operate and maintain these lands with the expectation that visitors will gladly pay an ever

increasing and unrealistic portion of these costs, I think we will be making a big mistake.

Finally, it is my view that if this Committee and the Administration are going to address this issue, I think it should be in the context of a comprehensive fee proposal rather than a piece meal approach. The Congress and the American people deserve to see the whole fee package before we begin increasing fees here and there without any idea of where we are headed or where we will end up.

I commend the Subcommittee Chairman for his leadership on this matter and look forward to working with him.

Senator WALLOP. Now it is with great pleasure that I ask Mr. William Penn Mott, the new National Park Service Director, to be our first witness. Director Mott, it is more than a delight to have you at this first hearing, and you are, as I understand it, accompanied by Frank Edwards, no stranger to this committee, the Assistant Director of Land Resources of the BLM; Mr. James Cook, Chief of the Water and Lands Division, Bureau of Reclamation; and Mr. James Gillett, Chief of the Division of Refuge Management of the Fish and Wildlife Service.

So as I understand it, those are resource people who will be able to assist you or the committee in questions. But the rest of the panel is Chief of the Forest Service, Max Peterson; and Mr. Bill Bond, Manager of the Office of Natural Resources and Economic Development of the Tennessee Valley Authority.

Mr. Bond, as I understand it, is accompanied in the same manner by Mr. Phillip McKnelly, Chief of the Land Between the Lakes Recreation Program; and Mr. Robert Marker, Project Manager of the TVA Reservoir Recreation Project.

And the last witness at the table will be Donald Dillon, Deputy for Policy, Planning, and Legislative Affairs, Office of the Assistant Secretary of the Army for Civil Works.

Gentlemen, if you would proceed to the table. Director Mott and Chief Peterson, Mr. Bond, and Mr. Dillon.

The CHAIRMAN. Mr. Chairman, while they're taking their place at the table, I'd like in particular to welcome Mr. Mott in what I believe is his maiden voyage before this committee and perhaps his first appearance before a committee of the Congress. It is a particular pleasure to have you here, and we look forward to working with you on not just this issue, but a full range of issues. Your distinguished reputation is well known to all of us, and we're delighted to have a man of your caliber aboard in the administration in assisting us in the very difficult and important task of managing the National Park System.

Senator WALLOP. Thank you, Mr. Chairman.

Director, the floor is yours.

STATEMENT OF WILLIAM PENN MOTT, JR., DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY FRANK EDWARDS, ASSISTANT DIRECTOR, LAND RESOURCES, BUREAU OF LAND MANAGEMENT; JAMES GILLETT, CHIEF, DIVISION OF REFUGE MANAGEMENT, FISH AND WILDLIFE SERVICE; AND JAMES COOK, CHIEF, WATER AND LANDS DIVISION, BUREAU OF RECLAMATION

Mr. MOTT. Since this is my first appearance before such a distinguished group, I may be a little bit nervous but I'll get over it as I get down further in the program.

Mr. Chairman, I appreciate the opportunity to present the views of the Department of the Interior on this very important issue of recreation fees. I want to focus especially on the entrance fees for national parks and give you our suggestions relative to how to handle this matter.

The national parklands represent a major financial investment by the Federal Government. Four hundred million people annually

visit these national treasures, causing a regular and continuous need for repair and maintenance of structures, buildings, and equipment. Regular high-quality maintenance becomes even more important for the older buildings and historic structures in our parks.

Throughout the history of the National Park System, there have been differences of opinion—often sharp differences—as to how these expenses should be borne. Should the full cost of parks and their development and maintenance be paid by the general taxpayer, or should the users pay their fair share of the cost of maintaining and building those facilities that have been created for their convenience and enjoyment?

There was a time some 50 years ago when among park administrators, park commissioners, and lay people this subject was a burning issue. Today, even among the general public, this subject is no longer argued. People expect and are willing to assist in the development and maintenance of park facilities by paying a reasonable fee for their special use and enjoyment.

Entrance fees in the National Park Service go back to 1908. In 1917 the single-trip entrance rate to Yellowstone was $7.50. Today it is $2 per vehicle. In those early days the ideal was to have self-supporting parks. That philosophy, however, changed shortly thereafter. In 1918 a letter by Secretary of the Interior Franklin K. Lane expressed concern that park revenues should not impose a burden upon the park visitors. Between 1918 and 1964, entrance fees were collected, but at a very low level.

On September 3, 1964, Congress passed the Land and Water Conservation Fund Act of 1965, the first successful attempt to establish a system of charges for recreational use of public lands and water, and the revenues were targeted to the expansion of opportunities for outdoor recreation. Despite some objections that any type of entrance, admission, or any other kind of fee would impose a burden on the people, the act was passed.

The act did not adversely affect the public. Provisions in the act allowed and encouraged the establishment of fees, charges, and special discounts for the elderly, disabled, and the blind. The act established the Golden Eagle Passport and a 50-percent discount on user fees for our senior citizens, the disabled, and the blind. No entrance fees are charged in urban recreation areas or for our young people under 16 years of age, or for those who are involved in educational and scientific programs.

A freeze on entrance fees was enacted by Congress in 1979, but the last significant increase in entrance fees has been in 1972 when the Golden Eagle Passport was raised to $10. Today, for example, a family of any size can visit Yellowstone National Park for $2. The same family, let's say a family of four, will pay an average of $16 for a 2-hour movie. What value do we place on our parks?

In 1984 our visitor hours exceeded 989 million per year and revenues from entrance and user fees were $21 million, less than 3 percent of the operating budget for the Service.

Mr. Chairman, there is no question in my mind that the time has come for us to raise the level of entrance fees for many of our parks. The current budget situation simply does not allow us to continue to use general revenues to finance the level of mainte-

nance we all desire. The American people recognize this, and my early travels as Director have made it obvious to me that they are willing and indeed want to support our parks through increased fees.

Mr. Chairman, we believe the American people would support the President's budget to pay for increased or new admission fees to the national parks if they knew that their contribution would help maintain the quality of park resources and continue the high level of service that our park users have come to value.

There are a number of modifications to existing authorities which we believe would be desirable. Other agencies may cover some of these in more detail, and I would like to give particular attention to National Park entrance fees.

What we recommend is simply this: That the current freeze be lifted and that park entrance fees be collected wherever feasible and the revenues be used to increase our ability to maintain park facilities, buildings and equipment, and for research and interpretation.

Park managers look forward to the opportunity to operate entrance stations year around if economically feasible. It is this first contact at which park values can be shared and questions answered: "Is a campground full?" "Where is the best place to photograph the lake?" "Are there any more tours of the cave today?" are simple questions that can be answered quickly and will save the visitor, and the park manager both time and expense. The security and protection of the park resource are also enhanced by entrance stations. But the entrance fee does something else for the park visitor; it says that this park has a value and that his or her contribution is helping to offset the cost of operations and maintenance. We believe strongly that the park user is willing to pay a moderate fee if he or she is satisfied that the fee is tied to operating and maintaining the parks and not just dropped into the Treasury.

I can assure you that it is not our intent to set a high entrance fee on units of the system, but rather to establish reasonable fees for those units where it is practical and cost effective to collect a fee. In 1982 a GAO study recommended what we believe are moderate increases in entrance fees for a number of park units in the System.

It is our intent, if the Congress adopts our recommendation, to develop a fee structure for each park based on such factors as kind and extent of facilities provided, the quality and kind of interpretative services, transportation systems and comparability with other similar operations. These are not the sole factors, however. A final product might well propose a lesser fee during the off-season when there are fewer services provided and when we might like to encourage use. Some units of the System may for various reasons not be qualified for entrance fees. Those units that do not collect fees will, nevertheless, share in the entrance fees that are collected.

Therefore, our recommendations, Mr. Chairman, would be to:

One, deal independently with National Park Service entrance fees, including the Golden Eagle Passport;

Two, create management incentives to collect fees by allowing collecting parks to use the revenues for park purposes and distribute part of the receipts to those parks that do not collect fees; and

Three, specifically exclude urban parks and parkways.

We know that there is also a need to address user fees and other significant limitations in our current recreation fee authorities which involve other agencies. We urge you to consider these recommendations.

Increased recreation fees have a number of potential advantages. In addition to the dollar value of the entrance fee collected, the process can be a management tool, assist in security and safety, and provide information to members of the public as they enter a park and create a favorable first impression that is so important in improving visitors' attitudes and respect for park values.

I feel strongly that the enactment of our proposal represents a new opportunity for the National Park Service in these difficult economic times, to maintain the quality of the parks with the full support of the visiting public.

We want to work with you, State officials, interest groups, and members of the general public to begin to formulate an approach which will ensure that visitors pay a fair share of the park expenses, and funds are generated which can be used to enhance maintenance and operations.

Thank you very much for this opportunity to present to you our ideas on recreation fees and our entrance fee proposal. I am accompanied here today by representatives of other Interior bureaus with recreational responsibilities, and we would be pleased to answer any questions you or other members of the committee may have.

Thank you very much.

Senator WALLOP. Thank you, Mr. Director.

I think we'll go on through the panel and then question the panel generally, because some questions may be redundant.

Frank, do you have a statement on behalf of BLM?

Mr. EDWARDS. No, Mr. Chairman, I do not have a prepared statement. I'll be glad to try to answer any questions the committee may have.

Senator WALLOP. I appreciate that.

Then Chief Peterson.

STATEMENT OF R. MAX PETERSON, CHIEF, FOREST SERVICE, DEPARTMENT OF AGRICULTURE

Mr. PETERSON. Thank you, Mr. Chairman.

Since you have my complete statement, I could summarize my statement, if you, would accept my full statement for the record.

Senator WALLOP. By all means.

Mr. PETERSON. I appreciate being here today to express the Department of Agriculture's views and to recommend certain changes in the Land and Water Conservation Act.

Mr. Chairman, we're well aware of the deep interest of you, Senator McClure, and many other people on the whole question of fees. We have searched during the last several years with many user groups to see what might be a consensus as to dealing with the basic problem of increasing deficits, concern for how to meet future recreation needs without creating a situation where some people

would feel like they were being nickeled and dimed to death for the use of public lands.

I fully understand that concern and have some of that feeling myself. I was born inside of a national forest; my family has lived there, and like so many people near national forests sort of assume that the use of that forest is a part of our heritage.

The real question we're facing is how do we meet increasing needs for recreation in a budget deficit situation and declining budgetary resource? We'll make certain suggestions today and then agree that we'll continue to work with you on what you might work out.

The Forest Service, as you know, provides 228 million days of recreation, about 42 percent of the total recreation visitors days use of public lands—more than any other agency by far. This is roughly equivalent to every man, woman, and child in the United States spending 12 hours on a national forest during a year.

We maintain about 6,000 campgrounds and picnic areas, 4,000 other recreation sites, and 3,000 sites such as ski areas, resorts, and marinas.

One of our problems is that only about one-third of the use of national forests occurs in developed sites. Much of it occurs along trails and roads—driving, hiking, rock climbing, and so on.

The other problem that we have is that we have multiple roads going into these areas with intermingled private lands, so it is in most cases virtually impossible to set up a few entrance stations to collect fees.

Currently we're collecting fees at about 2,300 recreation sites, with revenue in 1984 of about $12 million. We have some practical problems because there are several limitations in the Land and Water Conservation Fund as to what areas we can charge for. For example, the Land and Water Conservation Act only allows us to charge fees at campgrounds that include a tent or trailer space, drinking water, access road, refuge container, toilet facilities, personal collection of fees by employee or agent of the Federal Government, reasonable visitor protection, and simple devices for containing a camp fire. We have many sites which meet most of the criteria but not all and we are not allowed to charge a reasonable user fee.

Let me give you an example in Utah where we have a large water-related recreational complex. We have found out by experience that, rather than put a garbage can at a site, which promptly gets overloaded by the first two visitors, we've established the principle there that people take the refuge out, and it's working quite well.

Literally, the Land and Water Conservation Fund says you can't collect any fee for that area. Now, that doesn't make any sense.

We have some other areas that are heavily used near large population areas where we do not provide drinking water year around, because there are nearby places to provide drinking water or the water system would freeze and be destroyed by cold weather. We're literally prohibited from charging a fee for those areas when there is no drinking water.

So our first priority would be to remove these specific limitations from the Land and Water Conservation Fund so we could charge appropriate fees at other areas. We have no indication that there would be public objection. It has general support.

Another principle that Director Mott already alluded to is that prior to 1981, the money collected was made available to the agencies for doing work for recreation purposes. Beginning in fiscal year 1981, by appropriation language change, that money was no longer available to the agency. I think much of the public objection to paying would not be there if they knew the money was going to come back to work on those areas.

Many Forest Service facilities date back to the CCC, as you're well aware. We simply are going to have to face the problem of either closing those areas or finding the money to rehabilitate them. We've gone on year after year trying to keep them going, and we're simply reaching the point in many cases where that's no longer feasible.

The President's fiscal year 1986 budget, as you're aware, anticipated that revenue collected from recreation users would at least equal 25 percent of the recreation costs. For the recommendations that we've made, primarily to remove these limitations, that 25 percent is feasible for national forests, without going into a complete entrance fee system.

Now, we do believe that there are some areas where we provide recreational facilities or services at a fairly high cost and where we have permit systems to use those areas, where there would be no objection to a small fee. The Boundary Waters Canoe Areas in Minnesota, is an example where we already require permits and we provide substantial numbers and kinds of services for that special area. We've had all kinds of people say why don't you charge $10 for this use; nobody would object to it.

We have other areas where we have a substantial number of facilities, and rather than charge at each facility, which becomes difficult, that there would be an area fee. Many of these areas are not congressionally designated. Many of these areas of highest public use of the national forests are areas near metropolitan areas where we have a recreational complex.

We believe that by adopting these changes in the Land and Water Conservation Fund restrictions and giving us some common sense authority to charge in areas where we have facilities and services that are unusual that there would be general public support, would meet the goal of having some more money to fix up these facilities, and we do not believe it would be highly controversial.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Peterson follows:]

STATEMENT OF
R. MAX PETERSON, CHIEF
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on Public Lands, Reserved Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate

On recreation fees as authorized in the Land and Water Conservation Fund Act of 1965, as amended.

June 27, 1985

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I appreciate the opportunity to participate in this hearing on recreation fees as authorized in the Land and Water Conservation Fund Act and present the Department of Agriculture's recommended changes to that Act. We are well aware of the interest surrounding recreation user fees and any proposed changes to existing authorizing statutes. Uses of recreation areas and facilities and the costs of providing them have expanded at a greater rate than has the funding available for maintaining, refurbishing, and improving those areas and facilities. Current economic and budgetary realities limit our ability to meet recreation needs. We, as an agency providing a major portion of the Nation's outdoor recreation have a difficult task ahead in providing for the recreation use. We would like to describe our recreation programs and our recommendations for changes in fee authorities to help us provide recreation services and facilities.

In 1984, the National Forests provided 228 million Recreation Visitor Days use or 42 percent of the Recreation Visitor Days spent on Federal lands. This is the rough equivalent of every woman, man and child in the Nation spending a 12-hour day on the National Forests.

We maintain a total of 6,000 campground and picnic grounds along with another 4,000 sites such as swimming, boating, observation and interpretive. An additional 3,000 sites such as ski areas, resorts and marinas are operated and maintained by the private sector through special use permits on National Forest System lands.

Recreation use at our developed sites and our special use permitted sites totals a little over one-third of our recreation use. The remaining use is within our dispersed recreation category which includes countless primitive facilities, 100,000 miles of maintained trails, and 300,000 miles of roads, in the general forest setting of approximately 191,000,000 acres of National Forest System lands.

Current Fee System Under Land and Water Conservation Fund

Currently we are charging recreation user fees at approximately 2,300 recreation sites with revenues in fiscal year 1984 of approximately $12 million. Authorization for these charges is Section 4(b) of the Land and Water Conservation Fund Act, as amended, which allows fees to be charged at campgrounds that have the following: tent or trailer spaces, drinking water, access roads, refuse containers, toilet facilities, personal collection of the fee by an employee or agent of the Federal agency, reasonable visitor protection, and simple devices for containing a campfire. Fees may also be charged where mechanized or hydraulic boat lifts are provided. Primarily, our fee sites are campgrounds, and our average fee is approximately $5.00 each night for a camp unit with a

range from $3-$12 per night. The fee rate is determined on a local basis and is comparable to other public and private campgrounds where similar services are offered. The fee rate is adjusted periodically when warranted by comparisons with rates of other campgound providers. Before Fiscal Year 1981 these collected fees were placed into a separate account (not the Land and Water Conservation Fund) in accordance with Section 4(f) of the Land and Water Conservation Fund Act and were made available for appropriation, without prejudice to appropriation from other sources, for any outdoor recreation function from which the fees were collected. Sixty-five percent of the collected fees were returned to the National Forest to be used at the developed fee sites. Since Fiscal Year 1981, through appropriation language, these collected revenues have been placed into the Land and Water Conservation Fund and have not been returned to the National Forest where collected. Operation and maintenance funds for recreation sites have been provided annually through regular appropriations rather than from both the special account and regular appropriations as was done prior to 1981.

Administration's Recreation Fee Budget Initiative

The President's Fiscal year 1986 Budget includes the proposal that revenues collected from recreation users should equal at least 25 percent of recreation costs for Federal land-managing agencies with recreation use. This proposal was based primarily on the principle that it was equitable for users of Federal recreation areas to pay a larger part of the costs of providing for the use rather than being funded by the general taxpayer.

An increase of $21 to $25 million for the Forest Service over current total recreation revenues is shown in both the President's budget and the Senate Budget Resolution. This increase cannot be accomplished under existing authorities.

Recommended Approach to Fee Increases

The prohibitions in Section 4(b) of the Land and Water Conservation Fund Act are particularly limiting in developing an equitable fee approach for the National Forest System. The Department of Agriculture recommends that these prohibitions be deleted so that we may charge a reasonable user fee at additional facilities where there are significant costs to provide and maintain the facilities. We anticipate that we would charge at approximately 3,000 additional high cost sites such as campgrounds, picnic grounds, boat launches, and swimming beaches where we provide facilities and services and it is cost effective to collect fees. Using a fee authority as we suggest, we estimate Land and Water Conservation Fund Act fee revenues would be approximately $28 million.

In some areas where we provide special management services or facilities that protect resources and help meet the visitor's needs, we would anticipate recovering a portion of those costs also.

We also recommend that revenues collected be returned to the units as was in effect prior to Fiscal Year 1981 as described earlier under the Land and Water Conservation Fund Act. This would place collections into a special fund, 65 percent of which would be returned to the Forest, subject to appropriation.

Various recreation and wildlife user groups that we have been working with have clearly stated that for any fee system to be supported and successful, the collected fees should be returned for recreation purposes and supplement regular sources of funding. We believe that returning to the original Special Fund provision of Land and Water Conservation Fund Act would partially meet this need.

We also recommend that, for efficiency in administering our overall recreation program, provision be made that allows volunteers to serve as collection officers which would help us serve the public better and more efficiently.

Summary

The National Forest System is available for all Americans, but those who actually visit the recreation areas and use the related facilities derive a greater benefit than those who do not. We believe that the actual beneficiaries, the users of National Forest recreation facilities, should pay a higher percentage of the costs of maintaining those facilities. The recommendations we are making would provide authority to charge a reasonable fee to those persons taking advantage of recreation opportunities.

We support the need to constrain budget requests, particularly for programs that chiefly benefit those who participate in them. At the same time, the numbers of people visiting National Forest recreation areas require corresponding increases in maintenance costs. We urge adoption of our recommendations to remove the prohibitions in Section 4(b) of the Land and Water Conservation Fund Act, to allow charges for special management services or facilities, to return the collected revenues to the Forests, and to allow volunteers to serve as collection offices.

We plan to continue to look at the long range recreation program needs and opportunities. As a part of this recreation review, we may well need to consider new ways beyond today's proposals to support our outdoor recreation programs. In the meantime, we consider these changes to the Land and Water Conservation Fund Act as essential to continue a recreation program that serves the public.

This concludes my prepared comments. I would be happy to answer any questions the Committee might have.

Senator WALLOP: Thank you, Max. I appreciate that testimony. Mr. Bond.

STATEMENT OF BILLY J. BOND, MANAGER, OFFICE OF NATURAL RESOURCES AND ECONOMIC DEVELOPMENT, TENNESSEE VALLEY AUTHORITY, ACCOMPANIED BY PHILLIP McKNELLY, CHIEF, LAND BETWEEN THE LAKES RECREATION PROGRAM, GOLDEN POND, KENTUCKY; AND ROBERT MARKER, PROJECT MANAGER, TVA RESERVOIR RECREATION PROJECT

Mr. BOND. Mr. Chairman, I'm pleased to be here today to present TVA's views. If it's OK with you, you have a copy of my statement, I'll just summarize the things, I think, that might be more important and move ahead.

Senator WALLOP. The whole statement will be in the record.

Mr. BOND. All right.

As a part of our development of the Tennessee River, we have developed a complex of a recreational facilities along the reservoir system. That's one part of the recreational facilities that TVA operates and manages. This particular part of our complex consists of 139 reservoir recreation areas, and it includes 34 campgrounds, 60 boat ramps, 32 day use areas, and 13 informal areas.

The other part of our recreational facilities that we have in the Tennessee Valley is an area in western Kentucky and western Tennessee that's called Land Between the Lakes. Land Between the Lakes [LBL] is a 170,000-acre outdoor recreation and demonstration facility that has more than 300 miles of undisturbed shoreline. Land Between the Lakes contains such traditional recreational opportunities as picnicing, camping, hiking, boating, and fishing, the same kinds of things that exist on the reservoir system in general, but it's also supplemented by TVA-sponsored educational programs and other activities, and in fact it contains a living history farm, a planetarium, a nature center and a contemporary small farm.

So what we do at Land Between the Lakes, in addition to the outdoor recreational experiences that people can enjoy there, it's also a place where we can add environmental education so they get an appreciation of living with the environment that we all should be concerned about.

We began collecting recreation use fees in 1965. The TVA Act provides that we have the statutory responsibility for collecting and retaining fees of the type that would be associated with recreation in these areas. We collect those in accordance with the provisions of the Land and Water Conservation Fund Act, as amended.

Each year we review public and private sector camping fees to determine the comparability of TVA charges and adjust our fees accordingly. At present we're collecting recreational use fees at 35 campgrounds on the TVA reservoir system and at 6 fee campgrounds and group camps in LBL. We also sell annual use permits for hunting at Land Between the Lakes.

In 1984 the total collections from all of our facilities was approximately $831,000. And we spent in operation and maintenance for the same facilities slightly in excess of $10 million, which means that we collect between 7 and 8 percent of the cost of operation and maintenance.

TVA is pleased that the administration is recommending expanding the discretionary authority of Federal agencies managing outdoor recreational facilities to charge admission and user fees to help defray the cost of providing Federal recreation benefits. We support this principle and think that the availability of high quality outdoor recreation areas would be enhanced if reasonable plans for users to pay a fair share of the cost could be developed.

We also support the discretionary authority of Federal agencies to establish admission or user fees at outdoor recreational facilities. However, the extent to which the cost of outdoor recreation programs may be defrayed through fees will vary from agency to agency and perhaps among various recreational facilities managed by the same agency.

For example, without going into detail, ours vary from 15 to 20 percent in some areas of the total cost of operation and maintenance to over 60 percent, while the majority of our facilities actually have no fees collected at all.

We feel that we could increase total collection, but as I've mentioned, we're not sure exactly how high. We think its unlikely that 25 percent of the operation and maintenance costs could be collected across the system because of the limitations that we have—in other words, we don't have much we can expand collections to right now, from what we're already doing.

It would also be very difficult for us to collect entrance fees at TVA recreation areas. For example, at LBL, TVA doesn't have control of the entrance roads, nor can we monitor or control lake access, and also the cost of collection would in all likelihood exceed the revenue collected.

In addition, Federal facilities may have other situations in which charging an admission fee is undesirable. For example, at LBL when we acquired that property, there were 51 active cemeteries, and we have to provide access to those cemeteries for the public who continue to use them. And in fact, the total number of sites on the LBL that we have to provide public access to exceeds 170.

We think it's appropriate for the collecting agency to continue to retain directly the fees collected, rather than have those fees returned to the Treasury. And the reason I say that is, we have found in collecting the hunter use fee at LBL, that the hunters

have been very willing to pay that on the provision that those funds are staying at LBL and improving the hunting experience that they will have in the future.

So after saying that, I would be willing to answer any questions you might have, Mr. Chairman.

[The prepared statement of Mr. Bond follows:]

Statement of
Bill J. Bond, Manager
Office of Natural Resources and Economic Development
Tennessee Valley Authority
before the
Subcommittee on Public Lands, Reserved Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate
June 27, 1985

I am pleased to appear before you today on behalf of the Tennessee Valley Authority to discuss the Administration's recreation fee recommendations, our current recreation fee arrangements (which are established on the statutory authority of the TVA Act of 1933, and the Land and Water Conservation Fund Act), and the desirability of further legislation in this area. Accompanying me are Philip McKnelly, Chief of Land Between The Lakes Recreation Program, and Robert Marker, Project Manager of TVA's Reservoir Recreation Project.

Since its inception, TVA has encouraged the development of high quality outdoor recreation opportunities in the Tennessee Valley. As a part of this effort, TVA has built and operates a variety of public recreational facilities around the reservoir system. TVA currently manages 139 reservoir recreation areas, including 34 campgrounds, 60 boat ramps, 32 day-use areas, and 13 informal areas, across the Valley.

TVA is also responsible for Land Between The Lakes (LBL), a 170,000-acre outdoor recreation and demonstration facility with over 300 miles of undisturbed shoreline that is located in western Kentucky and Tennessee. At LBL the traditional recreation opportunities, such as picnicking, camping, hiking, hunting, and fishing, are enhanced by TVA sponsored educational programs and facilities. LBL's informal educational

activities include a living history farm, planetarium, nature center, and contemporary small farm. Each is designed to help LBL's two million visitors better understand natural and cultural history and how their activities can impact water, wildlife, and entire ecosystems. LBL also sponsors formal leadership training, environmental education, and recreation programs at its resident camps and also provides teacher training and program development for instructors of handicapped children and adults, gifted children, and others. LBL offered more than 6,200 programs to over 250,000 participants from all 50 States in fiscal year 1984.

TVA began collecting recreation use fees in 1965. User fees are established under authority of the TVA Act of 1933 and are consistent with the Land and Water Conservation Fund Act, as amended. TVA is among seven Federal land managing agencies that participate in the Federal Recreation Fee Program and Interagency Fee Task Force. This task force is responsible for ensuring that recreation use fees are comparable with those established by other public agencies and private sector operations providing similar services and facilities within the region. For example, TVA reviews public and private sector camping fees in the Tennessee Valley each year to determine comparability, and TVA fees are adjusted accordingly.

Currently, recreational use fees are collected at 34 campgrounds on TVA reservoirs and at 6 fee campgrounds and group camps in LBL. Annual use permits are also sold for hunting in LBL. In 1984, TVA collected $831,000 in fee revenues from the following sources.

Reservoir Fee Campgrounds	$171,000
LBL Fee Campgrounds	$262,000
Hunter Use Permits	$ 21,000
Group Camp Fees	$377,000

In 1984, fee and nonfee reservoir recreation facility operation and maintenance costs were approximately $2.8 million, while fees totaled $171,000 (6 percent). At LBL, fee and nonfee operation and maintenance costs in 1984 were $7,606,000, and fee revenue totaled $661,000 (8.7 percent). Even though TVA recreation fee collection is significant, it could be increased by charging fees for use of basic access facilities, visitor centers, and day-use areas. These nonfee facilities are where major visitor use now occurs, and we believe the public finds them sufficiently attractive to accept a fee for their use.

We are pleased that the Administration recommends expanding the discretionary authority of Federal agencies managing outdoor recreation facilities to charge admission and user fees to help defray the cost of providing Federal recreation benefits. We support this principle and think that the availability of high-quality outdoor recreation areas could be enhanced if reasonable plans for users to pay a fair share of the costs could be developed.

TVA supports increasing the discretionary authority of Federal agencies to establish admission or user fees at outdoor recreational facilities.

However, the extent to which the cost of outdoor recreation programs may be defrayed through fees may vary from agency to agency and, perhaps, among various recreation facilities managed by the same agency. For example, LBL's three family campgrounds charge $6, plus $1 for electricity, per site. Fees collected at these campgrounds currently cover approximately 61 percent of their operation and maintenance costs. In 1985 TVA established a hunter use fee at LBL of $10 for adults and $5 for juniors and seniors. We are anticipating revenues sufficient to cover 30 percent of our wildlife management activities and programs, wildlife habitat development, and hunter services activities. In addition, LBL group camp fees currently cover 46 percent of costs. There are some types of TVA facilities, such as boat ramps, trails, and picnic areas, where fees would probably generate revenues covering only a small fraction of their operation and maintenance costs. Among such facilities, it is unlikely that 25 percent of their operation and maintenance costs could be collected through fees. In fact, it would probably not be feasible to establish use fees at some of these areas due to prohibitive collection costs.

We also believe that establishment of entrance fees at TVA recreation areas would not be practical. For example, at LBL we do not have control of all entrance roads, nor can we monitor or control lake access. Further, the cost of collection would in all likelihood exceed

revenue collected. In addition, Federal facilities may have other situations in which charging an admission fee is undesirable. For example, LBL has 51 active cemeteries and provides cemetery access at an additional 170 sites. We do not think admission fees would be appropriate for visitors entering a Federal facility to visit a cemetery located at that facility.

We also believe it is appropriate for the collecting agency to continue to retain directly the fees collected rather than have those fees returned to the Treasury. Such a retention system provides an incentive for each agency to collect all feasible fees and also increases user acceptance of fees--clearly, they will be used to offset costs where that particular user is likely to benefit in the future.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared remarks. I would be happy to answer any questions that you might have.

Senator WALLOP. Thank you very much, Mr. Bond.
Mr. Dillon.

STATEMENT OF DONALD DILLON, DEPUTY FOR POLICY PLANNING AND LEGISLATIVE AFFAIRS, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

Mr. DILLON. Thank you, Mr. Chairman. I am Donald Dillon, Deputy for Policy Planning and Legislative Affairs in the Office of the Assistant Secretary of the Army for Civil Works.

Mr. Dawson, the Acting Assistant Secretary, was scheduled to be here, but was unavoidably diverted at the last moment. He sends his regrets.

I'd like to summarize his statement if I could, Mr. Chairman.

The Corps of Engineers administers the second-largest Federal outdoor recreation program, and while we experience more public use than the National Park Service, a fact that's surprising to many, our product is different. The majority of our 460 water resources projects that offer recreation are close to the communities they serve. Our users look to us for an evening of fishing, a weekend away from their daily routine, or a low-cost vacation close to home.

They come largely to boat, fish, swim, and camp. They expect reasonable facilities in an attractive setting, properly maintained, and with adequate security. Our experience with campers, the only recreational user group we're authorized to charge, suggests that users are entirely agreeable to paying for the services they receive.

This is similar to the overall trend we see developing regarding all water resources projects in which beneficiaries pay a reasonable share of the cost to produce the benefits. Efforts to more equitably share the cost of recreation through entrance fees is consistent with this trend.

Of the 4,200 recreation areas on the 11 million acres of land and water we administer, 2,200 are directly managed by the corps. Of these 2,200, we are authorized to collect user fees at only 600. Since the mid-1970's, the corps has experienced an increase in the amount of fees collected as well as in the number of people who visit their projects. Like other land management agencies, the corps authority for collection of user fees restricts such fees to uses of highly developed facilities, primarily overnight campgrounds, requiring continuous presence of personnel for maintenance and supervision of facilities.

Recreationists who use similar facilities but do not remain overnight pay no fees. In 1984, the corps collected $10½ million in user fees, which was approximately 8 percent of the cost to provide recreation services at all fee and nonfee areas. However, the net return to the Federal Government was $8.3 million when one considers the $2.2 million cost of collection.

Fees are deposited in a special Treasury account and are available the year following collection for appropriation back to the same corps divisions for use in the operation, maintenance, refurbishment and improvement of recreation areas.

The Department of the Army budget proposal for fiscal year 1986 reflects an expansion of the present fee collection program to allow

recovery from the users of a much higher percentage of the annual cost to sustain recreational facilities. However, changes in the authority of the corps to collect fees would be needed in order to realize this increase.

On February 20 of this year, we submitted to the Senate the proposed Water Resources Development Act of 1985. This proposal was introduced as S. 534 on February 28 by Senator Stafford, by request. It contains a provision to repeal the Flood Control Act of 1968 provision which restricts the corps to collection of fees for use of highly developed recreation areas only.

The administration believes the current law should be changed to authorize collection of fees from all users of recreation areas, not just from the users of campground facilities.

It is our belief that any new recreation fee legislation should authorize the collection of reasonable entrance fees and should remove statutory limitations on user fee collection. This approach would allow the corps, along with the other agencies, to develop an equitable and uniform system for Federal recreation without unfairly competing with non-Federal and private sector suppliers.

The legislation included in S. 534 would help permit us to continue providing high-quality recreation opportunities. Economic and budgetary realities are limiting our ability to meet recreation funding needs; yet the number of visitors to the corps projects continues to increase. Enactment of this proposal would remove the existing corps specific restraint to the collection of user fees. However, further legislation would be required to authorize the collection of entrance fees from all users of corps recreation areas.

With legislation allowing expanded revenue from recreation fees, we could recover 25 percent of the cost of operating, maintaining, refurbishing, and improving corps recreation areas as proposed in the President's budget. This fee approach will more equitably distribute a portion of the total costs of the recreation areas among those users who benefit most from them.

Thank you very much, Mr. Chairman. This concludes my oral statement.

[The prepared statement of Mr. Dawson follows:]

TESTIMONY OF

ROBERT K. DAWSON

ACTING ASSISTANT SECRETARY

OF THE ARMY (CIVIL WORKS)

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER

AND RESOURCE CONSERVATION

OF

THE SENATE COMMITTEE ON

ENERGY AND NATURAL RESOURCES

JUNE 27, 1985

NOT FOR RELEASE
UNNTIL RELEASED BY THE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. Chairman and Members of the Subcommittee, I am Robert K. Dawson, Acting Assistant Secretary of the Army for Civil Works.

I am pleased to appear before your subcommittee today to discuss recreation fees as they relate to Army Corps of Engineers water resources projects. My statement addresses the issues raised by the Chairman in his letter of invitation to testify.

CURRENT STATUS OF RECREATION FEES

The Army Corps of Engineers administers the second largest Federal recreation program. On 11 million acres of land and water, the Corps has developed 4,200 sites which are being used at a rate of over 480 million visits annually. Of the 4,200 total sites 2,200 are managed by the Corps, and of these, fees for use of specialized recreational facilities are collected at only 600. Since the mid 1970's, the Corps has experienced an increase in the amount of fees collected as well as in the number of people who visit their projects. Like other land management agencies, the Corps authority for collection of user fees restricts such fees to uses of highly developed facilities, primarily overnight camp grounds, requiring continuous presence of personnel for maintenance and supervision of the facilities. Recreationists who use similar facilities, but do not remain overnight, pay no fees. In 1984, the Corps collected $10.5 million in user fees, which was approximately 8% of the cost to provide recreational services at all fee and non-fee areas. However, the net return to the Federal government is $8.3 million, considering the $2.2 million cost of collection. The fees are deposited in a special Treasury account and are available, the year following

collection, for appropriation back to the same Corps divisions for use in the operation, maintenance, refurbishment, and improvement of recreation areas.

Collection of user fees is generally accomplished by the use of contract gate attendants. In addition to collection of fees, these attendants distribute information, limit access, and monitor campground activities. The Corps experience has been that the payment of fees and the presence of attendants has, in combination resulted in less vandalism and fewer incidents involving law enforcement actions. It is our view that the visiting public is willing and able to pay for services which improve the quality of their recreation experience.

PROPOSED CHANGES

The Department of Army budget proposal for Fiscal Year 1986 reflects an expansion of the present fee collection program to allow recovery from the users of a much higher percentage of the annual cost to sustain recreation facilities. However, changes in the authority of the Corps to collect fees would be needed in order to realize this increase.

On February 20, 1985, I submitted to the Senate the proposed "Water Resource Development Act of 1985". This proposal was introduced as S. 534 on February 28 by Senator Stafford, by request. It contains a provision to repeal the Flood Control Act of 1968 provision which restricts the Corps to collection of fees for use of highly developed recreation areas only. The Administration believes that current law should be changed to authorize collection of fees from all users of recreation areas, not just from the users of campground facilities.

It is the Corps of Engineers belief, as well as that of the Administration, that any new recreation fee legislation should authorize the collection of reasonable entrance fees, remove statutory limitations on user fee collection, and revamp the price and structure of the Golden Eagle Passport. It should also authorize the sale of permits and the collection of fees by volunteers, businesses and nonprofit organizations. Finally, it is important that revenue generated be returned to the collecting agency for use in the operation and maintenance of recreation facilities. This approach would allow the Corps, along with our sister agencies, to develop an equitable and uniform fee system for Federal recreation without unfairly competing with non-Federal and private sector suppliers.

With increased authority, the Corps would expand the number of areas where camping fees are collected from 600 to about 800, and would initiate an entrance fee wherever reasonable to do so at the 2,200 recreation areas they administer. We estimate this would increase gross revenue from $10.5 million per year to well over $25 million per year after construction of the facilities required for fee collection. The cost of collection of fees would increase as well, probably in a proportional amount.

NEED FOR LEGISLATION

The legislation included in S. 534 would help permit us to continue providing high quality recreation opportunities. Economic and budgetary realities are limiting our ability to meet recreation funding needs, yet the number of visitors to the Corps projects continues to increase. Enactment of

this proposal would remove an existing Corps specific restraint to the collection of user fees. However, further legislation would be required to authorize the collection of entrance fees from all users of Corps recreation areas.

Expanded revenue from recreation fees will recover a substantial share of the cost of operating, maintaining, refurbishing, and improving Corps recreation areas. This fee approach will more equitably distribute a portion of the total cost of the recreation areas among those users who benefit most from them.

Senator WALLOP: Thank you very much, Mr. Secretary. Senator Bumpers, do you have an opening statement?

STATEMENT OF HON. DALE BUMPERS, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BUMPERS. Mr. Chairman, I do.

Senator WALLOP. I appreciate your indulgence of letting the panel finish.

Senator BUMPERS. That's quite all right. I ask you now simply that my full statement be inserted in the record.

Senator WALLOP. By all means. It will be now.

[The prepared statement of Senator Bumpers follows:]

STATEMENT OF HON. DALE BUMPERS, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Mr. Chairman, I am very pleased that the Subcommittee is conducting this oversight hearing on recreation fees. I think that this will be a major issue for us in the weeks and months ahead and you are to be commended for taking the lead in making a record for the Committee on this matter.

As the Senator may recall, when I was Chairman of this Subcommittee in 1979, I sponsored the legislation in the Senate freezing National Park entrance fees. That legislation was enacted into law and remains on the books today. I did not take that approach because I was opposed to fees per se. What I opposed then and what I will continue to oppose are ill conceived and short-sighted recreation fee proposals that focus only on the revenues to be derived for the Treasury. If budgetary rather than sound resource management decisions dominate the fee issue, we are doomed to a never ending series of escalating fees, a confused and outraged public, and ultimately more congressional moratoria and freezes.

I am convinced that the American people don't mind paying reasonable entrance fees to visit their national parks. Likewise, I do not believe they object to paying reasonable fees for well equipped and maintained campgrounds and other facilities provided at government expense. What the American people will not, and in my view should not tolerate, are quantum increases in entrance fees everytime somebody decides we need to make a few more bucks for the Treasury or admission fees or permits to picnic or spend a few hours in our national forests or public lands.

In my view, the Administration and the Senate Budget Resolution miss the mark by starting from an assumption that recreation users must pay a fixed share of the cost and then asking the agencies and this Committee to figure out how to reach what amounts to a totally arbitrary sum. Instead, we should begin by looking at what makes the most sense from a management and resource perspective and how we can best implement a fee system that is cost effective and fair to the park visitors. If we can approach this issue in this manner, Mr. Chairman, I am certainly

prepared to work with you and the other Members of the Committee in designing such a system.

Senator WALLOP. Would you care to begin the inquisition?

Senator BUMPERS. Let me start by just asking a couple of general questions about the Senate budget resolution which anticipates that we will raise user and entrance fees by roughly $82 million; is that figure correct, Mr. Mott?

Mr. MOTT. I believe that is correct.

Senator BUMPERS. In looking over the summary of revenues from just the Forest Service and the Park Service. I see that last year entrance and user fees for the Park Service totalled $21 million. The figure for the Forest Service, Max, I think was $12 million.

Mr. PETERSON. That's correct. That excludes ski areas and some of those types of things.

Senator BUMPERS. Yes.

Now, the Park Service and the Forest Service generate the lion's share of user and entrance fees. When you start talking about raising $82 million, does that mean we're going to have to almost triple entrance and user fees in order to comply with the Senate budget resolution?

Mr. MOTT. From the standpoint of the Department of the Interior, our approach to this is that we can achieve our goals, not the first year, but we think that in the period of a couple of years we can achieve the goal. But we don't look at this as a basis for developing fee schedules to try to raise a specific amount of money. I think what is important is to use the fee scheduling as a means of properly taking care of the maintenance costs that we need to take care of in order to do the job that the public expects.

Whether that's the figure that you've quoted or some other figure, I think that what is important is that we do the job of providing the public with a quality experience when they come to the parks, and that the fee schedule is a management tool rather than a fund raising operation.

Senator BUMPERS. I agree with you on that, Mr. Mott. But one of the things that concerns me is that if the Congress adopts through the reconciliation process a requirement that you raise fees $82 million, then you won't have any discretion but to do that. And that really troubles me. That's the course we're headed on right now.

I was chairman of this committee back in the glory days when we were in charge of the Senate and was the chief architect of the fee freeze in 1979. And I am willing to lift the freeze now, even though I might say that what's going on down the hall now with William Bradford Reynolds is probably peanuts compared to the kind of outcry we may wind up with if we raise these fees really significantly. So many of the users of both the parks and especially the national forests are repeaters, people who use them continually. They're the people who are keenly aware of these fees, and, for the most part, I think they would not object to something modest in the way of increases particularly if they were assured that this money was going to go back into the maintenance of the parks and recreation areas.

Now, you have said in your statement we're talking about fees, user fees and entrance fees, that will be used to maintain high

quality standards in the parks. But we would really be just replacing general revenues that are now being used for maintenance, would we not?

Mr. MOTT. That isn't our concept.

Senator BUMPERS. It is not?

Mr. MOTT. We're assuming that this additional revenue that we raise through these fees will be used to supplement what we now receive in our budget for maintenance and operation. We need that in order to do the kind of a job that I think is necessary to maintain the facilities in the national parks and in the other areas that we're interested in.

If we continue to let maintenance go downhill, if we don't take care of it every single year, then we reach a crisis at some point and we have to spend a lot of money to get back on track again. And so it seems to me that what we're saying is that the money that's collected from fees and charges—and I think this is what the public is going to expect—that that be in addition to the normal basic budget that we're receiving.

Senator BUMPERS. I think you're on a collision course with your boss because I don't believe that's what he anticipates, and I don't believe that's what the budget resolution anticipates.

I'm on your team. I agree with you.

You have stated in your testimony that fees collected by the Park Service represent 3 percent of the Department's budget. Now, I understand that, but I don't think that's a particularly significant measurement.

What I would like to know before I would vote to lift the freeze that is now in place is how much money we're collecting in each park, historical site, and so on. I would also like to know what the budget for each particular site is. I'd also like to know the proposed increase for each one of those parks, monuments, and other facilities, and then I would like to know what we plan to do. I think Congress ought to have some idea as to what you intend to do with the increased revenues if those increases are allowed. That wouldn't be asking too much, would it?

Mr. MOTT. I don't think so, and we'd be prepared in less than 3 months to give you each park and what we recommend as the entrance fee schedule for that particular park.

And I might say that we're not thinking about any substantial increases. I can tell you that we would not be increasing any of the fees in excess of $5. In other words, Yellowstone is now $2. We're thinking in terms of $5. And we can tell you that that will be our ceiling.

Senator BUMPERS. Well, that's interesting, and that's the kind of information we need. Now, is that $5 per vehicle?

Mr. MOTT. That's correct.

Senator BUMPERS. The GAO report you cited recommends an entrance fee increase from $2 to $7 at Grand Teton and Yellowstone, so I assume you don't agree with the GAO report on that.

Mr. MOTT. Well, I think that we are in general agreement, but I think that there are some fees that we think should be lower and there may be some that we think should be higher. And there's also a practical aspect to this. Where you have people coming in and they are anxious to get into the park, collecting $5 is a lot

easier than collecting $7 when they have to make change and so forth. We want to make it easy for the public because if they're agitated, then they're upset when they come into the park.

We think that a $5 maximum at this point in time is quite satisfactory.

Senator BUMPERS. How about the Golden Eagle Pass? What increase would you propose for that? It now costs $10, doesn't it?

Mr. MOTT. It's now $10; we're thinking in terms of possibly of going to $25.

If you feel you'd like to reduce that, we don't have any objections.

Senator BUMPERS. How many golden eagles do we sell a year?

Mr. MOTT. Approximately $1 million.

Senator BUMPERS. It's not a very big revenue raiser, is it?

Mr. MOTT. That's the reason I said we wouldn't object to your reducing the $25.

Senator BUMPERS. Max, do you favor a carte blanche entrance fee of some kind to drive through a national forest?

Mr. PETERSON. No. No; we are not in favor of that. What we are proposing are two things: First, that we remove those specific land and water conservation fund restrictions that limit the types of sites we can charge for. Second, I think you have to broaden the base of potential fee sites. You have to add areas you can collect fees, for all the agencies. You couldn't increase revenues significantly for all agencies by raising national park fees and raising fees on the areas we're already charging for. That would not be a feasible way of meeting the resolution. You have to broaden the base in terms of the kind of facilities we can charge for.

And third, I think we have to look specifically into areas that we're incurring fairly high costs because of the mix of facilities or the special services and so on that we're providing where we already have permit systems because of very heavy use. I think a nominal charge at such areas would do two things. In some places where we now have permit systems that are free we've got all kinds of people applying for permits that never intend to use them. We find that we get a showup rate of 25 percent, because the permit didn't cost anything. Or on some very heavy use rivers, we have 10 people that put in 10 times because it's free, which results in fewer people actually using the river than the river is capable of accommodating, while some people are turned away.

Charging users a fee to defray some of the cost does two things. First, it helps people make a commitment they're going to go so that we don't get all kinds of requests they don't plan to follow up on. And second, as Mr. Mott indicated too, by providing those people information in advance about what the weather's likely to be, and other precautions, people are better prepared so they better enjoy their trip. The worst thing you can have is for somebody to show up in an area who assumes because it's August it's going to be 80 degrees, and finds out it snows the first night. There is a real important opportunity the permit system provides, but we're not talking about a general fee to drive through the national forest. No.

Senator BUMPERS. Max, would this be costly? We all have parochial attitudes about these things, and I am thinking of the two major national forests in my State. And so far as I know, there isn't a fence around any of that land. Anybody that wants to can go in at a million different spots. How would you enforce an entrance fee?

Mr. PETERSON. I don't think we could feasibly enforce a fee in States like Arkansas, Missouri, and so on—some kind of a general entrance fee that had gates and all that type of thing. There's an approache that I think we need to consider in the future.

For an area like Blanchard Springs Cavern, which I suppose you are entirely familiar with, you might have a $1 or $2 charge for that area. It's an area that's defined. People know they're going there. I doubt that anybody would object if the money went back to the area. We could handle the people that live in there by simply giving them a pass that identifies them.

Senator BUMPERS. Of course, Max, you and I both know it's not the dollar that people object to; it's the principle. They just get upset at a change of 50 years practice.

Mr. PETERSON. Sure. One of the things that I wondered about one time was setting up a semivoluntary system. We have a lot of people who say, I would like to pay something for this area because I'm concerned that it is deteriorating.

The theory would be you'd pick certain areas where there's a lot of use and where there are specific services, and make available an annual pass for repeated use, and maybe a short-term one. But I would not favor—even in a place like Blanchard Springs Cavern—setting up a gate.

Senator BUMPERS. Max, I want to be clear on your statement. Did you say that 65 percent of the fees you collect go back into the water and conservation fund?

Mr. PETERSON. Yes. They do now. They used to come back to the agency for use in construction, operation, and maintenance of recreation facilities. By the 1981 Appropriations Act, this was changed. They now just go into the land and water conservation fund.

Senator BUMPERS. Would you like to see us revert to the old law provision under which the revenues go back to the Department for use in those recreation areas?

Mr. PETERSON. Yes, sir.

Senator BUMPERS. How about you, Director Mott?

Mr. MOTT. That's correct.

Senator BUMPERS. You want the same thing?

Mr. MOTT. Same thing.

Senator BUMPERS. I think those are all the questions I have for now.

Senator WALLOP. Thank you.

Senator Murkowski, do you have an opening statement?

Senator MURKOWSKI. No, I don't.

Senator BUMPERS. Mr. Chairman, before you—I wonder if staff could clarify the point I raised earlier. I'd like to know the answer to that. Is it now anticipated by the Senate budget that this money

will be used to reduce general revenues which would otherwise go under the fund?

Senator WALLOP. It is. In my opening statement I referred to it. I also referred to the implausibility of picking a dollar figure. The only way you can achieve that is to order people into the parks.

Senator BUMPERS. And pay the extra fees.

Senator WALLOP. And pay when they go. There's something sort of Alice-in-Wonderland-like about this concept, and there's a general thread that went through the testimony of each of these gentlemen. The incentive to collect fees is entirely based on whether or not—and goes to increase to their ability to do what they have to do in the parks, in the recreation areas, on the lakes or where have you.

So we have a problem that is building here and Senator McClure——

Senator BUMPERS. I'm glad to hear you say that, Mr. Chairman. I agree. I don't have any problem with amending the law we adopted in 1979 regarding the freeze, so long as we're kept abreast and we know what's going on.

Senator WALLOP. There's one curiosity, though, that I simply can't resist the temptation to talk to Max and Frank especially, and that is that even the administration in their desire to reduce budget deficits is not suggesting that any of these be made self-sufficient, obviously because there are more recreationists than there are ranchers or timber operators.

We have the feeling that some segments of the public must be not only self-sufficient, but profitmaking, and the rest of the public in the multiple use concept is not expected to do that.

I think the only point that I'm making is that the forests exist generally for all the people and the various public lands exist for various uses for which Congress once decided that they should be put, and that mix is economically so woven into the social habit of the country that it's hard to pull out one and not the other.

Senator BUMPERS. Somebody may suggest raising grazing fees here.

Senator WALLOP. They have already. I think that's—but not to 25 percent. We accept that.

Senator MURKOWSKI. I would like to just propose one observation and perhaps end up with a question that often occurs around here. Recognizing the priority for reexamination of fee structure and the contribution to what it means in those areas that are truly isolated, the cost of administering the fee structure in areas of Alaska—cabins, $2 a day or $7 a day or something like that—you might make $21 a year or so.

Good heavens, the cost of just administering the procedure—because there is no return——

Senator WALLOP. Well, Frank, that's going to be the difficulty that we come to grips with. On the one hand, in order to make any of this come into a reasonable perspective, we're going to have to give more authority than we have generally been in the habit of giving in terms of reasonableness, practicality, and there's always going to be from that, if we ever can bring ourselves to do it, you know, a constant barrage of people from our State saying, dammit

all, you know, I have to pay $7 and you only have to pay $4; you can get in free, and I can't.

Yet, if there is going to be any reasonableness or any practicality or any revenue raising to the purposes for which a common thread came through here, that has to exist. It's not going to be easy.

Senator MURKOWSKI. But my question, though, is: Are they going to have the flexibility to recognize——

Senator WALLOP. That's us.

Senator MURKOWSKI. Well, all right. But as far as the intent of this legislation, specific—have the flexibility to make a determination whether they're going to hire two people to collect $21 a year.

Senator WALLOP. No. As a matter of fact; no.

Senator MURKOWSKI. Or are they going to concentrate on checking off those cars that are standing in line and waiting to get into the glacier?

Senator WALLOP. As it now sits in front of us, the answer is "No." The administration's purpose is to have recreation fees recover 25 percent of their operating maintenance. And that can be done one way, and it cannot be done another way, and Senator McClure's statement I think was particularly useful in that:

> I do not want to even entertain the possibility that we should be encouraged to build facilities solely for the purpose of raising revenues or requiring lands not for resource protection, but for their potential to impose fees on the public.

Then, this other one that I was looking for:

> I do not want to encourage the cycle where we need to increase administration in order to collect fees, driving up the cost of fees to cover increased administration.

Therein lies the art of what we're trying to do. I think there's probably a general agreement, as Bumpers expressed it and I feel it, that a reasonable fee structure is very useful, particularly if it follows the criteria that was a thread in all these bits of testimony, that it go back, in principle at least, to the agency and hopefully to at least the specific facility from which it was collected at least in some proportion.

Senator BUMPERS. Mr. Chairman, if I could just make one observation. In connection with what Senator McClure talked about, You can get into a cycle of increased administration costs followed by increased fees to support increased administration. You also have another very real possibility, and that is that as you raise fees, you cut down on visitations and then you have to raise fees more if you're going to hit some kind of an arbitrary revenue figure like 25 percent.

Senator WALLOP. Well, that's true. I have a feeling, and I think Director Mott's statement was that some reasonable level of fees is really not only desirable, but philosophically almost an imperative if you are going to say that the average family of four, as he suggested, it costs them $2 to get into Yellowstone, that same family of four goes to a movie and it costs them $16.

There is a comparative level of value that resides in the brain of people who make those kinds of judgments. So there's reason to think that we can and we should provide some sense of caring and responsibility on the part of the using public. But it's not going to be easy to achieve it, and it certainly isn't going to be salable on the basis of some dollar figure or percentage figure that is out there that must be achieved before the parks can open in the

spring, or the forests open for hunting. That just doesn't make any kind of practical sense.

Director Mott, I want to ask one question that is a little troubling to me. I think I know the basis of it is primarily political and secondarily practical, but only to a degree; and that is, that the authorization should specifically exclude urban parks. I have an idea that Senators are going to start running down and saying, I've got a lot of people that go to Yellowstone; can you make it urban? [Laughter.]

And that's only half a joke. Take a look at a park like Chatahoochie, which is both urban and not. It strikes me that to opt out of that by legislative exclusion: First, cuts down your ability to do reasonable things in reasonable places, and second, it sets up a subsystem within the National Park System which is already troubling to me. Not that we should not have urban parks by any stretch of the imagination, but that they are as much as part of the National Park System as are the great wild parks of this country.

I sort of have a bad time with that as a legislative exclusion. I understand the politics of it and I understand the practicality of it in certain places; how the hell are you going to charge people to go on the mall? I mean, clearly, you're not. But an exclusion that is blanket strikes me as potentially ill-advised.

Mr. MOTT. Well, I don't have any real problem with that at all. As a matter of actual facts, the urban parks that I'm referring to are like Gateway, and Golden Gate, and so forth, and they have so many entrances into those areas that it's impractical to collect. So if you are unhappy with the idea of making it an exclusion, they will automatically be excluded because we can't collect when there's multiple entrances.

Senator WALLOP. Well, that I understand, although it's conceivable that there be fees for some services within those parks that you provide. If there is validity of the philosophical concept that the using public has a desire to participate in the quality of the experience the parks are set aside for, that's a problem with Max's forests, that's a problem with the Secretary's lakes, that's a problem with all kinds of ways, and that's where this sort of ability to offer a free rein is necessary to make this work and going to be the most complicated part of any legislation that we do.

Congress is loath to give free rein. I don't know how we're going to get there.

There will be some questions that we have of each of you as we go along. Frank, I think that we want to have the subcommittee provided with an overview of fees currently collected on BLM lands and what your agency might be recommending in the future.

Each of you has commented indirectly on whether there's a practicality to the 25-percent figure. And that same thing for the Fish and Wildlife Service. And the additional question to the Fish and Wildlife Service is why should the duck stamp—be used in lieu of an entrance fee, which was the proposition in the last Congress.

As you can see, there is a generally supportive feeling up here to the concept of doing this, but there's a lot of hesitation as to the means of getting to what I think you all have testified to.

We will submit the questions to you, generally. I thank you all for your willingness to come. I also thank you for the forthrightness that was contained in those statements.

The next panel consists of Mr. Derrick Crandall, president of the American Recreation Coalition; Mr. Charles Howell of the department of conservation, the State of Tennessee; Mr. Destry Jarvis, vice president, National Parks and Conservation Association; and Mr. Barry Tindall, director of public affairs, National Recreation and Parks Association.

Derrick, if you would begin, please.

If we could have a little more order. I know it's hard for us recreationists. We're a rowdy bunch. I appreciate it.

Derrick.

STATEMENT OF DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION

Mr. CRANDALL. Thank you, Mr. Chairman. It was comforting, much of the discussion that occurred this morning. And we want to pay special tribute to the role that you have played on the recreation user fee issue over the last several years.

For the record and for the benefit of staff that have not already seen it, you may enjoy seeing a T-shirt that was printed in appreciation by the boaters and the fishermen in an organization known as the American League of Anglers and Boaters, and that is a result of the leadership that you have provided in trying to fulfill the promise of the Wallop-Breaux Fund. We thank you for that leadership.

Senator WALLOP. There are clearly some chests upon which that would look better than others. [Laughter.]

None of which I would care to witness. I think that's an embarrassment. Thank you.

Mr. CRANDALL. Thank you, Mr. Chairman.

Let me begin by saying that the recreation community believes that there is a tremendous need for adequate funding, adequate resources to manage the valuable public recreation programs and the conservation programs that are embraced and reflected in the diversity of lands that we own as individual Americans collectively.

We do in fact have some magnificent land and water resources. Our national parks and forests, our wildlife refuges and other Federal sites, our State and local parklands, and a significant portion of our private lands are irresistable magnets for Americans each year. These lands and waters shape our vacation and our weekend planning.

In total, recreation visitations to the Federal estate alone are thought to total some 1.5 billion recreation visitor days, provided at a cost for operations and maintenance of some $525 million. The cost per recreation visitor day for our national forests, for example, is approximately 40 cents, and I think that's an important issue to keep in mind; the per-visitation cost of our existing Federal programs is quite low. Yet, the Federal O&M budgets for recreation have declined in constant dollars terms for several years, and we're concerned by the prospects for further declines.

The chairman of this committee, Jim McClure, several weeks ago explained that no longer is it adequate to justify a program as

being effective and important; now the Congress is being forced to ask what the consequence is of deferring expenditures for a year or two. And he said that natural resource programs in general fare poorly against human services, education, and other programs. You can defer reforestation; it's much more difficult to defer drug rehabilitation and other programs.

Senator WALLOP. Derrick, if you will—and I would ask that this not be part of the record, or at least if it is, at the end of it, but I want to make an observation—at the end of Mr. Crandall's remarks—that in both the Carter administration and the Reagan administration, this committee and Congress generally has not been niggardly with O&M budgets. They've always given at least what was asked, and sometimes more.

In fact, it was I who set up the O&M account system so that we could get at that. The problem is that the administrations, both of them, have put less than adequate emphasis on this and we're on the threshold, as your testimony suggests, of having to pay a stern price for that. And so while there are many things that I am happy to blame Congress for, that is one of them where we can't. There's an establishment attitude downtown that causes us grief and we're going to have to change it.

I think perhaps, listening to the testimony this morning, we may have reached that water point.

Mr. CRANDALL. We appreciate that, Senator, and we concur with them. We appreciate the help that this subcommittee and the committee have been in providing the needed O&M. It nonetheless leaves the recreation community with a great interest in finding a game plan which we're fighting on equal rules; that in fact there must be a safer means to provide funding for the natural resource programs that we care so much about.

Back in 1981, our organization, which as you know reflects not only the recreation industry, but such recreation user groups as the Good Sam Club, the Recreation Skiers, the American Youth Hostels and a variety of others, that read in part:

> Federally managed lands alone constitute one-third of our Nation's area. These lands are today, and must continue to be in the future, important sources of recreational opportunities. Recreational users of these lands can be expected to contribute to these management costs through user charges, registration fees, fuel taxes, and other direct and indirect means.

In fact, we have seen a significant increase in user charges on Federal recreation sites over the last 3 years. Campgrounds in the national parks and national forests, for example, have seen roughly a doubling of the charges for an overnight accommodation and we've heard very few complaints with the exception that the basic services are declining even when the costs of staying overnight are increasing. And here I'm talking about trash collection and other kinds of basic services being provided.

We believe, then, that there is a premise, a basic reason to believe that a shift could be made, at least in part, away from dependence upon general revnues toward increased reliance on user fees. Yet, our receptivity to the shift is tempered by two practical reasons. First, the methods for achieving the shift have to be deliberative, comprehensive, and well thought out. Today, too much emphasis was placed on the panel discussions previous to ours on rev-

enue enhancement, which is decidedly not the goal of America's recreationists. They seek protection of the resource and enhancement of their outdoor opportunities. It's only through a belief on their part that the proposals will ensure that, that they will be receptive to increased costs, increased charges of various kinds.

Second, a comprehensive review of the means to the real goal, continued and enhanced recreation experiences, is needed and the most logical means to achieve this review is the newly created and hopefully about-ready-to-begin President's Commission on Americans Outdoors, created by Executive Order 12503 in January, and perhaps to be established as soon as next week.

Our second major concern about a transition toward higher reliance on recreation user fees is the difficulty in returning the collected revenues to benefit those who are paying the taxes and fees. We find the model provided by Dingell-Johnson and Pittman-Robertson very attractive. And in 1984, through your leadership and the leadership of John Breaux in the House, legislation was adopted, expanding the Dingell-Johnson into the Wallop-Breaux fund, and that fund received universal acclaim, we thought, until the budget proposal for fiscal year 1986 was unveiled in January.

And in that proposal, as you pointed out in your opening statement, virtually all the increased revenues were targeted for deferral and perhaps, most importantly, the automatic and permanent appropriations provisions that have been a part of that program for more than 30 years were proposed for repeal.

Reaction was hostile within the recreation community and we appreciate deeply the strong support that you and others provided in the first budget resolution of both the House and the Senate to indicate a lack of willingness to go along with that.

In essence, we believe that the only recreation user fees that will work would be closed loop user fees that assure both the economic collection of the fees and the appropriate return of those fees. As we've said before, more and more of the recreation community is willing to believe that there is no such thing as a free lunch, but if we pay for lunch we don't expect to have to starve.

As a final point in terms of the collection mechanisms, we think it's important to validate what you said. We don't believe that recreation fees can ever approach 100 percent of the actual costs of providing recreation opportunities on the Federal/State for practical as well political reasons.

We believe, though, that there are some actions that we can support, some short-term actions, and we would encourage the committee to look closely at that. As Director Mott mentioned, the freeze on the National Park Service entrance fees has in fact now frozen in place the fees that were there in 1982.

In my testimony, Mr. Chairman, we provided some background in terms of what the proportion of revenue the Park Service has collected from entrance fees in 1948. Roughly it was 9 cents per visit. Currenty it is down to about 3 cents per visit, and if we adjust for inflation and keep the cost per visitor even, right now the Park Service would be collecting, we estimate, some $87 million in entranced fees. And that's again compared to 1948.

Entrance into America's national parks is today one of the world's great bargains. Maybe it should be. But in fact, I think the

willingness to pay of the American recreationists certainly would allow that to rise from the current insignificant levels.

We also believe that a reasonable change can be made in the amendments to the Public Land—or the Land and Water Conservation Fund Act of 1974. In that amendment, as Chief Peterson reflected, there are specific requirements prior to the collection of user fees for various campground facilities, an absolute prohibition on collection for picnic facilities, and a variety of other limitations.

We would look favorably upon a careful review of those conditions. We would also favor the authorization of non-Federal employees, including volunteers, to collect fees at sites.

In conclusion, we believe that a change in funding important Federal recreation programs is in the best interests of both recreationists and those who care about our public lands and waters. The change will include increased dependency upon recreation user fees to pay for specific service and use of specific facilities.

Creative new approaches to support this change are needed. One approach we advocate is the creation of a Federal recreation trust fund which would provide operating and maintenance funds for Federal recreation sites. Consideration of these approaches is underway and seems inevitable as a major focus of the President's Commission on Americans Outdoors.

We urge the Congress to facilitate and to avoid complicating this review by deferring significant changes in present recreation fees and charges. The Commission, we feel, is our best means to identify a suitable and comprehensive scheme for providing the resources needed to yield sufficient quantities of quality recreation on our public lands and waters to allow those to exist with popular support and popular acceptance.

As a final point, Mr. Chairman, I would say that we would encourage this subcommittee to unify the oversight and authorization authorities regarding recreation user fees. The last thing we need is a division of those responsibilities within several committees of Congress.

Thank you.

[The prepared statement of Mr. Crandall follows:]

STATEMENT BY DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION, ON USER FEES FOR FEDERAL RECREATION SITES, BEFORE THE SUBCOMMITTEE ON PUBLIC LAND AND RESERVED WATERS OF THE UNITED STATES SENATE ON JUNE 27, 1985

Mr. Chairman and Subcommittee members, my name is Derrick Crandall and I am President of the American Recreation Coalition, a federation of some 100 recreation-related associations and companies. Our membership includes enthusiast groups as well as recreation industry representatives.

We are pleased to appear to discuss user fees for federal recreation sites because we believe adequate funding for valuable public recreation and conservation programs is critically important to recreation in America. And we believe that recreation user fees have a role in providing that adequate funding. As background to my statement, I would ask that ARC's 1982 presentation to the workshop on Land Protection and Management conducted by this body be placed in the record.

Americans love the outdoors. They use and enjoy the outdoors for more recreational activities more often today than ever before. Past projections of recreation participation have proven noteworthy chiefly for their serious underestimation of demand and failure to predict technological changes which make possible new recreation activities.

Part of the fuel driving this recreation engine is the magnificent land and water resources of this nation. Our national parks and forests, our wildlife refuges and other federal sites, our state and local parklands and a significant portion of our private lands and waters are an irresistable magnet for millions of us each year. These lands and waters shape our vacation and our weekend planning. In a very real sense, access to these recreation sites is also an essential factor in the sale of products ranging from fishing rods to canoes, sleeping bags to bicycles, soccer balls to Frisbees -- and a major factor in sales of automobiles and real estate. Sales of recreation equipment and services alone total some $250 billion annually and provide millions of Americans with employment.

The direct federal role in recreation is centered on the lands and waters managed by the National Park Service, the Forest Service, the Fish and Wildlife Service, the Corps of Engineers, the Bureau of Land Management, the Bureau of Reclamation and a handful of other federal entities. In virtually all cases, the recreational opportunities afforded by these agencies comprise just one of several outputs from the same resource. Corps water projects, for example, traditionally were authorized for a primary purpose such as flood control, with other values such as recreation added as serendipities.

In total, recreation visitations to federal recreation sites are thought to total some 1.5 billion visitor days, provided at a cost, for operations and maintenance, of some $525 million. The cost per recreation visitor day for our national forests, for example, is approximately 40 cents -- $100 million in costs to provide 250 million recreation visitor days of quality hiking and hunting, camping and skiing, fishing and boating.

While these costs are not great per capita, the services they represent are very important to high quality outdoor recreation experiences. Well-run campgrounds, well-marked trails, quality interpretive programs and good brochures and maps which direct people to appropriate sites for the opportunities they seek must be our objectives.

And yet, federal recreation program O&M budgets have declined in constant dollar terms for several years. The Chairman of this committee, the Honorable James McClure, explained a harsh reality to key recreation leaders two weeks ago. It is no longer enough to be able to justify a program as effective and important, he said. Now, the Congress is being forced to ask what the consequence is of deferring expenditures for a year or two. And here, natural resource programs fare poorly against human services, education and other programs. Reforestation and visitor service programs aren't matters of life or death; funds for drug treatment centers or prenatal care may well be.

The result for ARC members is a great interest in finding a safer means to provide funding for our natural resources programs, including recreation. And if that means higher charges for some services, we believe those charges will be tolerated as long as some basic conditions are met. ARC adopted the following position in 1981:

> Federally-managed lands alone constitute one-third of our nation's area. These lands are today, and must continue to be in the future, important sources of recreational opportunities. Adequate management must be provided on these lands to assure protection of the resource base and its users and equitable resolution of competing demands. Recreational users of these lands can be expected to contribute to these management costs through user charges, registration fees, fuel taxes and other direct and indirect means. Because many activities on public lands generate revenues in these ways today, existing payments to governments by recreationists and those providing recreation opportunities must be fully considered before additional taxes, fees or licenses are implemented.

We hold this view because recreation is not free in most cases. Americans spend willingly for recreation services and equipment. And they pay willingly for private sector services which are in most respects comparable to federally-provided services, such as campgrounds.

Americans also pay willingly for public recreation services in many, many ways already. We know of no protests from those being charged entrance fees at our national parks (and at $2 per car load for Yellowstone and Teton combined, we would hope that no one would have the nerve to protest!). The only complaints we've heard about campground charges at national parks and national forests -- charges which have about doubled in three years -- is that the quality of basic services (such as trash collection) are declining despite the higher charges.

At the federal and state level, fishermen and boaters, hunters and snowmobilers all pay for licenses and/or registrations. Many are subjected to excise taxes on their equipment and on the fuel used in their recreational activities. Present federal recreation programs revenues are not small. In 1981, prior to sizeable increases in many federal recreation fees, a Congressional Research Service study estimated federal recreation fee and tax revenues at $146 million. I would further note that that figure also neglects to reflect more than $100 million dollars in federal fuel taxes paid on gasoline used in boats, snowmobiles, off-road motorcycles, all-terrain vehicles and similar devices.

There is reason, then, to believe that a partial shift in financing for federal recreation programs can occur, a shift away from reliance on general revenues and toward user fees. Yet our receptivity to this shift is tempered by two major concerns.

First, the methods for achieving this shift must be deliberate, comprehensive and well thought-out. Effective and popular user charges are essential to guarantee the voluntary compliance so essential to a successful transition in funding. The present climate in Washington is not conducive to the design of such a policy. Too much emphasis is being placed on revenue enhancement, which is decidedly not the goal of America's recreationists. They seek protection and enhancement of their outdoor opportunities. It is only that outcome which will bring them to support expanded and higher fees. The present proposals fail to adequately examine the means to deliver those desired opportunities -- in part through higher recreation user fees but perhaps also through new cooperative agreements between federal agencies and public and private sector interests.

In short, a comprehensive review of the means to the real goal -- continued and enhanced recreation experiences -- is needed. And the most logical means to achieve this review is the newly-created (and about to begin) President's Commission on Americans Outdoors, created by Executive Order 12503 and modeled after legislation unanimously approved by this body in November 1983.

The new commission will allow recreationists, conservationists, state and local officials, and industry and federal interests to discuss alternative means to pay for desirable programs. The discussions will be invaluable to gaining a consensus that action on user fees is appropriate and, further, can identify the specific mechanisms which are: (1) equitable; (2) most likely to be accepted by recreationists; and (3) most efficient from a collection standpoint.

Our second major concern about a transition toward higher reliance on recreation user fees is the difficulty in returning the collected revenues to benefit those who are paying the taxes and fees. The model most attractive to the recreation community is that provided by the Dingell-Johnson and Pittman-Robertson Funds. For roughly 30 and 50 years, respectively, these funds have collected and automatically dispersed recreation user fees to recreation purposes. In 1984, through the leadership of Malcolm Wallop in the Senate and John Breaux in the House, landmark legislation expanding the Dingell-Johnson was incorporated into the Deficit Reduction Act. The expanded fund, commonly known as the Wallop-Breaux Fund, gained universal acclaim.

Until, that is, the Administration's FY 1986 budget proposal. In the proposal, virtually all of the increased revenues were targeted for deferral and the automatic and permanent appropriation provision was proposed for repeal. Reaction among recreationists was understandably hostile. And Congressional leaders of both parties quickly displayed their outrage in resolutions cosponsored by 60 Senators and nearly 200 Representatives and during floor debate on the First FY86 Budget Resolution.

We believe that 100% earmarking of collected recreation user fees to benefit federal recreation programs is essential to popular support. We refer to this as a "closed loop" user fee. While the recreation community is increasingly willing to accept the reality that there is no free lunch, they are most assuredly not prepared to pay for lunch and then starve. We further believe that recreation fees can never approach 100% of actual costs of these programs for practical and political reasons. Most importantly, the per visit costs are so low as to make most direct collection methods impractical.

IMMEDIATE ACTIONS POSSIBLE

If the earmarking and assured return issues exemplified by the Wallop-Breaux Fund controversy can be successfully concluded, some actions seem possible in the short term. First, the present freeze on national park system entrance fees can be overturned. Imposed in October 1979, the freeze both prohibits fees at previously non-fee units and prohibits increases at current fee sites. In fact, the 1979 freeze had the effect of freezing fees at 1972 and prior levels.

Entrance to America's national parks is today one of the world's greatest bargains. Although entrance fees have a long tradition in our parks, they have become insignificant charges. Today, two NPS areas charge $3 per carload; sixty areas charge $2 or less per carload, including Yellowstone and Grand Teton combined.

The following offers some perspective on national park entrance fees:

Year	# of visitors	$ collected	$ per visit
1948	29,000,000	$ 2,700,000	$ .09
1983	240,000,000	$ 8,600,000	$ .036

First, if per capita collection (9¢ in 1948) had remained constant, the National Park Service would have collected $21,672,240 in 1983 in entrance fees. Adjusting for the "buying power" of 9¢ in 1948 further swells the figure.

Inflation since 1948, based upon the consumer price index, has caused a 75% decrease in the buying power of a dollar ($1(1967)=$1.387(1948)=$.34(1983)). Thus, 9¢ (1948) is roughly equivalent to 36¢ (1983). Equivalent entrance fee collections, adjusted for both inflation and increased visitors, would thus have been $86,688,960 in 1983.

Another perspective comes from concessioner fees in these same national parks today versus historical. Here is an overview:

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Park	Concessioner Service	Price Per Day
1. Glacier (Montana)	room in park, single person	1969 - $12.00 1984 - $30.00
2. Yellowstone (Wyoming)	room in park, single person	1969 - $11.59 1984 - $26.00
	Coca-Cola	1955 - 10¢ 1984 - 60¢
	Ice Cream Cone	1955 - 10¢ 1984 - 75¢
	Hamburger	1955 - 60¢ 1984 - $2.50
3. Blue Ridge Parkway (N.C. - Virginia)	room in park, single person	1966 - $11.00 1984 - $35.00
4. Grand Canyon (Arizona)	room in park, single person	1968 - $11.00 1982 - $40.00
5. Mammoth Cave (Kentucky)	room in park, single person	1942 - $6.60/ includ. 3 meals 1984 - $50.00/ no meals
6. Big Bend (Texas)	room in park single person	1942 - $7.25/ includ. 3 meals 1984 - $54.00/ no meals
7. Olympic (Washington)	room in park, single person	1946 - $6.50/ includ. 3 meals 1984 - $72.00/ no meals

The increases in costs of these services have not dampened demand nor prompted public outcries; neither, we believe, will a reasonable increase in entrance fees stop visits or precipitate widespread protests. However, we believe that these additional receipts should not be treated as receipts to the Land and Water Conservation Fund, which is available to federal agencies exclusively for land acquisition. Instead, the moneys should be used to meet National Park Service operational and maintenance expenses.

We believe a second supportable short-term action would be a loosening of restrictions on allowable use fees. Those restrictions are contained in Public Law 93-303, enacted in June 1974 as an amendment to the Land and Water Conservation Fund Act of 1965. The amendment read, in part:

"Each Federal agency developing, administering, providing or furnishing at Federal expense, specialized outdoor recreation sites, facilities, equipment, or services shall...provide for the collection of daily recreation user fees at the place of use or any reasonably convenient location: Provided, That in no event shall there be a charge by any such agency for the use, either singly or in any combination, of drinking water, wayside exhibits, roads, overlook sites, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps: Provided, however, that a fee shall be charged for boat launching facilities only where specialized facilities or services such as mechanical or hydraulic boat lifts or facilities are provided: And provided further, That in no event shall there be a charge for the use of any campground not having the following - tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, personal collection of the fee by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). At each lake or reservoir provide at least one primitive campground, containing designated campsites, sanitary facilities, and vehicular access, where no charge shall be imposed. Any Golden Age such permit to utilize such special recreation facilities at a rate of 50 per centum of the established use fee."

These restrictions presently preclude charges for most day-use facilities and certain camping and boating facilities where fees could be reasonably assessed.

CONCLUSION

We believe that a change in funding important federal recreation program efforts is in the best interests of both recreationists and our public lands and waters. This change will include increased dependency upon recreation user fees to pay for specific services and use of specific facilities. Creative new approaches to support this change are needed. One approach ARC has advocated is the creation of a Federal Recreation Trust Fund which would provide operating and maintenance funds for federal recreation sites. Collected user fees would be matched by general revenues or other earmarked revenues to allow this fund to meet 100% of the agencies' funding needs.

Consideration of these approaches is underway and seems inevitable as a major focus of the President's Commission on Americans Outdoors. We urge the Congress to facilitate -- and to avoid complicating -- this review by deferring significant changes in present recreation fees and charges. The Commission is our best means to identify a suitable and comprehensive scheme for providing the resources needed to yield sufficient quantities of quality recreation on our public lands and waters through collection mechanisms which will enjoy popular support and acceptance.

6/25/85

DISCUSSION PAPER

Workshop on Land Protection and Management
Subcommittee on Public Lands and Reserved Water
United States Senate

The Recreation Challenge

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THE RECREATION CHALLENGE

Recreation in America Today

For twenty years, Americans have enjoyed a remarkable growth in recreation opportunities and recreational participation. Spurred by increases in leisure time, discretionary income and technological developments, Americans have made fun and fitness a key portion of their lifestyles.

Tremendous increases in public recreation facilities have played a central role in recreation growth. Since World War II, federal, state and local government units have acquired new park lands and constructed facilities ranging from softball fields to elaborate indoor recreation centers. Public recreation facilities, typically available at low or no cost, have been a major stimulant for recreational participation.

The private sector involved in recreation has also grown dramatically. Tens of thousands of corporations produce recreational equipment ranging from pools to racquets, provide recreation services ranging from campgrounds to skating rinks and manufacture athletic clothing. Together, they constitute a major economic force in the American economy: in excess of $200 billion in annual consumer expenditures and some 5 million jobs.

Psychographic studies by the recreation industry underscore the importance of recreation in America today. More than a third of all Americans of working age are best described as "free-time oriented" -- who work primarily to enjoy life with family and friends pursuing hobbies and recreational interests. To them, quality of life depends upon their ability to ski, or play golf, or travel. In numbers, they eclipse those who are "career-oriented" -- those deriving most of their satisfaction and self-perception from their work environment.

Yet the importance of recreation today and the size of the governmental and industrial infrastructures which serve America's recreational needs fail to protect recreation from a real and growing challenge.

Cutbacks in Public Recreation Programs

The primary threat to recreation in America today involves the public recreation provider network. Although recreation opportunities are provided by a diverse and large aggregation of public and private interests -- sometimes in partnership but often in competition -- public recreation programs have come to play a disproportionately large role in assuring widespread recreation facilities. The term "disproportionately large" is prompted by the fact that total public expenditures on recreation at the federal, state and local levels are not immense: some $5 billion, or perhaps 2 percent of annual consumer expenditures on leisure. Another measurement might be based on per capita costs: the Forest Service provides more than 250 million recreation visitor days per year on an annual recreation program budget of $100 million, or a cost of roughly 40 cents for each day of hunting and hiking, camping and skiing, fishing and boating provided. Similarly, the total per visitor day cost of our national park system is $3.

Yet public recreation areas are key catalysts of and hosts for recreation in America. Although some Americans are able to afford memberships in country clubs, private hunting clubs and more, many Americans would be unable to continue their chosen recreation pursuits if the full costs of land acquisition and improvements were reflected in assessed charges -- as private sector recreation providers must do.

Today, severe budget constraints at all government levels have halted the expansion of most public recreation systems and further threaten a marked deterioration in the quality of recreation experiences on public lands. Evidence of these cutbacks abound:

- grants to states under the Land and Water Conservation Fund have been dropped;
- the U.S. Corps of Engineers is closing nearly 400 recreation sites;
- visitor services and interpretive programs, along with brochures describing specific parks, are being curtailed by the National Park Service;
- some municipalities (including Toledo, Ohio) have actually abolished parks departments;
- state recreation program cutbacks include Michigan's decision to leave its public beaches unguarded this summer, in contrast to last year's hiring of more than 2,000 lifeguards; and
- public works programs which have played a key role in maintaining public recreation areas during the 1970's -- CETA and YACC, for example -- are being eliminated.

How have we reached this juncture -- where public policy and budget decisions threaten to overshadow marketplace demonstrations by Americans of the value they attach to recreation? Part of the answer lies in the primary reliance of public recreation programs on general revenues for operating and maintenance budgets. This has forced recreation programs to compete head-to-head with defense and education, welfare and medical services, police and fire services for an increasingly scarce commodity -- general government funds.

The Quest for General Revenues Grows Increasingly Difficult

Even in less troubled economic times, recreation has not fared well in the revenue allocation arena. A study published in 1978 in the Journal of Leisure Research reported:

> "Examination of U.S. Census information showed that the priority status of leisure services in the competition for city tax dollars declined between 1964 and 1974 in 19 of 30 major cities in the U.S. Leisure services generally received steadily decreasing proportions of total city funds irrespective of the level of those funds."

One consequence was a sharply increased dependency on federal funds. Monies provided through the Land and Water Conservation Fund, the Urban Parks and Recreation Recovery Fund, CETA and other federal programs rose to an average of one-third of all local park program budgets by 1980. With sharp decreases in these funds in FY 1981, FY 1982 and FY 1983, the fragility of state and local public recreation program budgets has been underscored. Aid to state and local governments for all purposes has been one of the most significant losers in recent budgets -- not merely failing to keep up with inflation but actually decreasing in current dollars.

Can state and local governments be expected to cushion federal cutbacks to public recreation programs? Possibly, but prospects are thought to be worse than at any time in recent memory. At the state and local levels, revenues are not keeping pace with growing costs and borrowing has become both difficult and costly.

In October 1981, Business Week stated:

> "Falling revenues are now combining with an inability to borrow in a way that is making it extremely difficult for Washington's great partner in the federal system, state and local government, to fill its traditional role of producing the basic government infrastructure for growth -- such elementary things as bridges, roads, sewage, water and mass transit. So serious is the decay of the nation's infrastructure and so poor the prospects for its refurbishment that many sophisticated businessmen and economists believe that the U.S. is entering a period of severe crisis for state and local government."

Local units of government face hundreds of billions of dollars in capital expenses during the 1980's to replace aging prisons and health

care facilities, roads and schools -- items which are traditionally favored over parks in the political process. Already the impact is being felt, as Business Week reported:

> "Historically among the best credit risks in the financial markets, the state of California approached Wall Street underwriters in September 1980 with plans for a $100 million bond issue for parks and water cleanup. The plan looked almost boringly routine in an era when state and local issuers tap the debt markets for amounts approaching $1 billion at a crack and use the money for things as offbeat as building fast-foood restaurants. But California financial planners were in for a rude shock. Interest rates leaped beyond the state's self-imposed statutory limit of 11 percent for public debt -- effectively cutting the state out of the bond market."

In short, the recreation community should be concerned about the consequences of inaction on public recreation program financing at all levels -- federal, state and local.

The User-Pay Alternative

In the recent past, there has been a reluctance in the U.S. Congress and in other government agencies to emphasize recreational user fees. In fact, a variety of statutory and administrative barriers now exist which limit the extent and the amount of user fees and charges. These barriers reflect an awareness of the importance Americans attach to recreation on public lands and a conviction that recreation is of sufficient social value to our nation that it should be subsidized.

Others have long felt that such subsidy was wrong, not because recreation was unimportant but because the use of general revenues for recreation represented a resource redistribution effort subject to governmental subjectivity. Governments would spend money to aid certain recreationists and ignore the needs of others.

The American public and many private sector businesses involved in recreation have unquestionably benefitted from the policies of the past. Thus, it can be argued that recreation policies of the 1960's and 1970's were right for that period. As we look ahead, however, it seems likely that a continuation of existing policies, including a primary reliance upon allocation of general revenues to recreation programs for operating expenses could rob Americans of the leisure-time choices they so enjoy.

User fee systems need not be onerous nor unpopular. At the state level, a variety of user fee strategies are employed: boat registration programs, hunting and fishing licenses, for example. Many local parks and recreation programs make extensive use of fee-based classes and programs. Even at the federal level, user fees in the form of excise taxes are levied on hunters and fishermen under the Dingell-Johnson and Pittman-Robertson Acts.

Many of the programs covered by these fees are enduring today's budget difficulties quite well -- where the collected fees are earmarked or dedicated to provide the services desired by those paying the charges. In fact, numerous examples exist whereby those subject to user fees initiated or actively supported substantial increases in those fees. Wisconsin snowmobilers, for example, initiated a successful campaign to double state registration fees to expand the state's snowmobile trail system.

Parks and Recreation Management magazine carried a story in September 1981 reporting on an experiment in Burlington, Vermont, to determine user response to the establishment of an entrance and user fee at a popular local park. The authors concluded:

"1) Park visitors were receptive to reasonable user fees.

"2) Reasonable user fees have little effect on total park use. The mix of park activities, however, changed dramatically. Undesirable activities such as loitering around parking lots declined substantially.

"3) A park entrance fee (for automobiles only) can help alleviate problems of automobile congestion. The establishment of an entrance fee encouraged nearly 20 percent of park users to walk or bike to the park.

"4) Revenues collected were reinvested in park maintenance and improvement. This resulted in favorable public acceptance of the fee program.

"5) A park entrance fee, appropriately designed, does not have to discriminate against older persons. The fee program exempted senior citizens from paying and resulted in increased use by senior citizens."

However, there are user fee systems which do not develop support and do not assist recreation programs to deal with budget difficulties. Several federal examples of this type exist.

Recreation fees at federal sites, for example, are not currently returned to the operating budgets of the collecting agencies. Recent initiatives to raise fees for camping in national parks and forests at the same time many services are being decreased thus expose federal land managers to greater criticism from recreational users of the area who now pay more for less.

Similarly, millions of dollars in federal fuel taxes generated from fuel used in boats, snowmobiles and off-road vehicles are not returned to these users. In fact, boaters secured legislation to earmark their monies in 1980 -- the so-called Biaggi Act -- but the resulting fund has been ignored in three successive budget cycles.

Even dedicated fee programs need one further ingredient: a means for those being charged to identify the level of services for which they are willing to pay. In the private sector, the marketplace determines

whether consumers will pay $10 per hour for court time or $20; a wrong judgment can lead to a business failure. The market for public recreation providers is constrained; all boaters must register their craft to be legal, regardless of the value they feel they are deriving.

Defining a User Fee

One of the most difficult issues associated with the recreation program funding issue is semantics: What is a user fee?

- Is a park entrance fee a user fee?
- Is a registration fee a user fee?
- Is a hunting license a user fee?
- Is an excise tax on recreation equipment a user fee?

The answer is that yes, these are in concept user fees but no, under existing law and regulations, they are not user fees. The Land and Water Conservation Fund Act of 1964 expressly differentiated between entrance fees and user fees, for example.

The American Recreation Coalition has reviewed current definitions of user fees and finds them to be unsuitable, for they fail to discriminate between user fees and specialized taxes; by definition, user fees should be a "closed loop" charge by which receipts are returned to benefit those paying the charge. ARC adopted the following position regarding user fees on March 19, 1981:

> "Recreational users [of public land and waters] ... can be expected to contribute to management costs through user charges, registration fees, fuel taxes and other direct and indirect means. Because many activities on public lands generate revenues in these ways today, existing payments to governments by recreationists and those providing recreation opportunities must be fully considered before additional taxes, fees or licenses are implemented. No government which manages public land can legitimately abrogate its resource stewardship responsibilities by denying public recreational opportunities in the name of fiscal constraints. Government agencies with land management responsibilities should either utilize

mechanisms to derive revenues from recreational users to provide recreational opportunities or allow the private sector to assume this responsibility."

Currently, millions and millions of dollars are already being paid by recreationists to the federal government. In an initial report prepared for Senator James McClure in March of 1981, the Congressional Research Service identified annual recreation-related receipts of $146 million; this study failed to include substantial additional payments by other non-highway recreational activities (snowmobiling, off-road motorcycling and four-wheel drive activity) in federal fuel taxes and sharply increased fees implemented in 1982 for use of federal campgrounds and other sites. All of this income needs to be reflected in policy decisions on user fees and in the federal appropriation process. To do so, many of the existing definitions of and restrictions upon user fees need to be revised.

One key issue which requires Congressional decision is a threshold for programs designed to recover recreational costs. For many recreational activities, the cost of government support is extremely low per visitor day provided. For these programs, most cost-recovery programs would be economically unfeasible. Many of these activities are described as "dispersed recreation." At some point, however, the cost of recreation services does become a "special service" warranting a user charge. Defining that point, and the consequent decision to subsidize through general revenue allocation all lesser program costs, seems to be a legitimate Congressional role. One approach would be to assign federal agencies the responsibility for collecting a certain percentage (not more than 100 percent) of program costs from those recreational users receiving services greater than each agencies' average cost per recreation visitor day.

Implementing the User-Pay Alternative

Although user charges are now applied to many recreationists enjoying the public lands and incremental efforts to expand such charges are now in evidence, a clear-cut national policy decision in this area is needed to provide consistency across federal agencies. Such a national policy might embody the following principles:

- Federal recreation program costs need to be assessed accurately and reported to the Congress and the public. Today, no one knows the true costs of operating a federal campground, for example. Only when these costs are known can the costs of specialized services be recovered and alternatives -- including private sector operation and reduced levels of services -- be evaluated.

- Cost recovery strategies must be flexible. For some activities, entrance fees may be most efficient and equitable. For others, a recreation permit -- such as the duck stamp -- may be most effective. In other cases, excise taxes may be the optimal approach. In all cases, the affected interests must be consulted, for voluntary compliance with cost recovery strategy will be essential. Moreover, cost recovery strategies must be designed to reach users of federal lands and waters, not the public at large.

- A new Recreation Trust Fund should be created, designed to meet the maintenance and operating costs of federal recreation sites. All revenues collected in the form of fees, special permits, taxes and more levied against recreational users of the public lands should be placed into this fund. Subsidies of federal recreation upon which charges are not levied would be added to this fund, perhaps on a matching basis and perhaps from a revenue source such as OCS royalties.

Companion Measures

In addition to increased emphasis upon recreational user charges, the federal government can take several steps to assure continued high levels of recreation quality on the federal lands. First, it can expand its reliance upon the private sector as the direct provider on public lands under leases and permits. Current constraints on the length of such agreements and limits on what recreation services may be operated

by the private sector -- campgrounds in national parks and national forests have traditionally been off-limits -- need to be carefully examined and revised.

Second, increased use of cooperative agreements with states, local units of government and non-profit organizations such as American Youth Hostels, Inc. can reduce the net cost of federal recreation programs. Boating facilities, snowmobile and nordic ski trails, motorcycle parks and other programs which depend upon public lands and waters can be operated by non-federal structures which currently collect fees, licenses or taxes, obviating the need for new federal revenues.

Summary

Recreation in America is an integral part of our nation's lifestyle. It is a healthy, healthful force in America's economy. Yet it faces the need for change, primarily because active, outdoor fun is heavily reliant upon our nation's public lands and structures and services upon those lands.

The most effective way to deal with budgetary duress at the federal, state and local levels is a combination of increased reliance upon recreational user charges, of expanded reliance upon the private sector and of further use of cooperative agreements with other government bodies. To facilitate this transition, a new federal recreation policy is needed, defining allowable user charge strategies and providing for specific levels of general revenue subsidies to federal recreation programs.

Senator WALLOP. Derrick, thank you very much.

We agree with that and are somewhat distracted by the three committee structure reference that has already taken place.

Mr. Howell.

STATEMENT OF CHARLES A. HOWELL III, COMMISSIONER, DEPARTMENT OF CONSERVATION, NASHVILLE, TN

Mr. HOWELL. Thank you, Mr. Chairman. I bring you greetings from Governor Lamar Alexander. I am Charles Howell. By his appointment I serve as Commissioner of Conservation in Tennessee where we operate our State parks and State forest. We don't have anything like the acreage that the Federal system has, but we have a half million acres of forest and parklands, about 160,000 acres in parks, 107 operating units, 52 of which are parks that would be operated by a pretty good staff, 7 resorts, 20 million visitors, $22 million of budget; $13 million of that is collected in fees and charges for services we render, and $9 million in local and State appropriations.

First, I think, Mr. Chairman, we ought to determine what is an appropriate subsidy for leisure opportunity. Currently local governments recoup approximately 25 percent of operational expenses from user fees and State agencies recover an average of 28 percent. Operational expenses in these cases do not include major maintenance items or the amortization of debt service, however.

User fees are derived from such things as charges for overnight accommodations, golf course and entrance fees and charges for consumable goods. Through the nature of its traditionally large land base, public sector leisure services are unlikely to ever be cost-effective until you include all the economic benefits derived. An excellent discussion of this matter can be found in the recent publication, "The Contribution of Outdoor Recreation to State Economic Development" by Suellen Keiner, published by the Council of State Agencies, and I have a copy here for your staff if you'd like to have a copy.

Recreational opportunity is often perceived much like educational opportunity. We expect a base to be supported through taxes. Privileges beyond that base, such as an overnight stay in a lodge or the use of a golf course, should be borne by the user at a rate competitive with the private sector entrepreneur or the independent sector providers. And I'm very sorry that independent sector providers are not here today to talk about their method of operation and this whole subject.

Studies in Tennessee show that our people are willing to pay increased fees when that money goes back into the park system. At the local level a subsidy of 75 percent seems acceptable.

Additionally, for greater cost effectiveness, we must provide incentives for our parks to economize. Reduction of the park budget $1 dollar for every dollar collected or saved is not an incentive, Mr. Chairman. I personally believe that a 25 percent operating cost retrieval goal can be met if some of the money collected is added to, and not deducted from the park system budget.

The balance to be sought here is one that would ensure everyone basic access to public recreational facilities at minimal cost. But we must continue to get the job done, whatever the cost may be.

Permit me to take my earlier education analogy one step further in an effort to convey the precept that nature, with its variety of opportunities, is the university of the whole man. It is a paradox that we do so little to enlighten ourselves upon entering this university. We understand so little about appropriate use of our leisure time. We must maintain programs which help us understand the highest and best uses of our leisure time.

But my most important point, Mr. Chairman, concerns stewardship and finance. It's time that we consider establishing a natural assets trust fund created from proceeds derived from the extraction of the Nation's mineral resources, oil from the Outer Continental Shelf, and from the sale of public domain lands. The use of our capital for operating budgets, Mr. Chairman, has got to stop.

I've furnished for your consideration and the record, a proposal for estabishing a natural assets trust fund and a proposal for the development and implementation of a feasibility study and an educational program for a natural assets trust fund.

Recently I asked Casper Weinberger what he thought of the propensity of the Federal Government to spend its capital in the annual operating budgets. He quickly retorted that he was from Maine, and in New England it's against the law to spend your principal. I wish that were true. I wish that were true throughout our society, particularly in the public sector and those agencies charged with the stewardship of the ultimate basis of our wealth: our natural resouces.

Because this Nation is blessed with an abundance of natural resources, we have neglected to establish a long-term reserve to meet future needs. The value of these resources belongs to not just our generation but to our children and grandchildren. Trusts offer us opportunity for more equitable intergenerational distribution. Proceeds from the investment of the proposed trust could be used to help smooth out the ups and downs of recreation funding which run with the economic cycle.

We should have reserves to help accomplish needed projects when the economy is down. The trust could help maintain a constant flow of public sector funding for recreation and park maintenance needs. A natural assets trust is a responsible device for ensuring the integrity of funds derived from the sale of public natural resource capital assets.

I'm suggesting that the trust be in place to receive funds. I am not encouraging more rapid disposal just to create the trust.

I have a friend named Jesus who lived 2,000 years ago and from whom I gained an understanding of love for my neighbor, a neighbor who may live 2,000 miles away or 2,000 years from now. I hope 2,000 years from now my neighbor is able to understand that you and I best expressed our love for him through the way in which we deal with the Earth and its resources.

The ancients learned that famine results when you spend or eat your seed corn. We need to be reminded of that when we eat our natural wealth.

President Theodore Roosevelt said, "It's safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity."

In summary, Mr. Chairman, we have the opportunity today to balance the system through fees, appropriations in the pursuit of a natural assets trust fund, the proceeds of which would be available to Americans in perpetuity as a resource for good times and bad.

To quote our President, "If not us, who? If not now, when?"

Thank you, Mr. Chairman.

[The prepared statement of Mr. Howell follows:]

TESTIMONY OF CHARLES A. HOWELL, III,
BEFORE THE SUB-COMMITTEE ON PUBLIC LANDS AND
RESERVE WATER, SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
JUNE 27, 1985

My name is Charles A. Howell, III. By appointment of Governor Lamar Alexander of the State of Tennessee, I serve as the Commissioner of the Department of Conservation, as well as Tennessee Liaison Officer for the administration of the Land and Water Conservation Fund and as State Historic Preservation Officer. I appreciate very much the opportunity to appear before this sub-committee as it deliberates the issue of recreational funding for the various federal programs.

First, we must determine what is an appropriate subsidy for leisure opportunity? Currently, local governments recoup approximately 25 percent of operational expenses from user fees, and state agencies recover an average of 28 percent. (Operational expenses do not include major maintenance items

OR THE AMORTIZATION OF DEBT SERVICE.) USER FEES ARE DERIVED FROM SUCH THINGS AS CHARGES FOR OVERNIGHT ACCOMODATIONS, GOLF COURSE AND ENTRANCE FEES, AND CHARGES FOR CONSUMABLE GOODS.

DUE TO THE NATURE OF ITS TRADITIONALLY LARGE LAND BASE, PUBLIC SECTOR LEISURE SERVICES ARE UNLIKELY TO EVER BE COST EFFECTIVE UNTIL YOU INCLUDE ALL THE ECONOMIC BENEFITS DERIVED. AN EXCELLENT DISCUSSION OF THIS MATTER CAN BE FOUND IN THE RECENT PUBLICATION "THE CONTRIBUTION OF OUTDOOR RECREATION TO STATE ECONOMIC DEVELOPMENT."

RECREATIONAL OPPORTUNITY IS OFTEN PERCEIVED MUCH LIKE EDUCATIONAL OPPORTUNITY. WE EXPECT A BASE TO BE SUPPORTED THROUGH TAXES. PRIVILEGES BEYOND THAT BASE - SUCH AS AN OVERNIGHT STAY IN A LODGE OR THE USE OF A GOLF COURSE - SHOULD BE BORNE BY THE USER AT A RATE COMPETITIVE WITH THE PRIVATE SECTOR ENTREPRENEUR OR THE INDEPENDENT SECTOR PROVIDERS.

STUDIES IN TENNESSEE SHOW THAT OUR PEOPLE ARE WILLING TO PAY INCREASED FEES WHEN THAT MONEY GOES BACK INTO THE PARK SYSTEM.

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ADDITIONALLY, FOR GREATER COST EFFECTIVENESS, WE MUST PROVIDE INCENTIVES FOR OUR PARKS TO ECONOMIZE. REDUCTION OF THE PARK BUDGET ONE DOLLAR FOR EVERY DOLLAR COLLECTED OR SAVED IS NOT AN INCENTIVE. I PERSONALLY BELIEVE THAT A 25 PERCENT OPERATING COST RETRIEVAL GOAL CAN BE MET, IF SOME OF THE MONEY COLLECTED IS ADDED TO, AND NOT DEDUCTED FROM, THE PARK BUDGET.

THE BALANCE TO BE SOUGHT HERE IS ONE THAT WOULD ENSURE EVERYONE BASIC ACCESS TO PUBLIC RECREATIONAL FACILITIES AT MINIMAL COST.

PERMIT ME TO TAKE MY EARLIER EDUCATION ANALOGY ONE STEP FURTHER IN AN EFFORT TO CONVEY THE PRECEPT THAT NATURE - WITH ITS VARIETY OF OPPORTUNITIES - IS THE UNIVERSITY OF THE "WHOLE MAN." IT IS A PARADOX THAT WE DO SO LITTLE TO ENLIGHTEN OURSELVES UPON ENTERING THIS "UNIVERSITY." WE UNDERSTAND SO LITTLE ABOUT APPROPRIATE USE OF OUR LEISURE TIME.

OUR ABILITY TO UNDERSTAND OUR LEISURE ALTERNATIVES DETERMINES THE CHOICES WE MAKE. THIS ABILITY IS HEIGHTENED BY OUR EDUCATION AND EXPERIENCES, AS WELL AS OUR LEVEL OF SENSITIVITY AND AWARENESS. CERTAINLY, THERE ARE A LOT OF OPTIONS OUT THERE FOR US TO CHOOSE, YET MANY OF US ARE STILL BORED.

IT'S A COMMON BELIEF THAT MONEY IS NECESSARY FOR THE PURSUIT OF LEISURE. BUT OUR IMAGINATIONS ARE MUCH MORE IMPORTANT TO THE QUALITY OF OUR LEISURE THAN THE SIZE OF OUR BANK ACCOUNTS. MONEY CAN BUY US MORE FREE TIME, BUT IT CAN'T BUY SELF-GRATIFICATION.

IN ALL HIS AFFLUENCE, WESTERN MAN FINDS HIMSELF WITH MORE LEISURE TIME THAN HE EVER IMAGINED. AND RICH AND POOR FIND THEMSELVES SHARING THE SAME PROBLEM: BOREDOM. WE MUST MAINTAIN PROGRAMS WHICH HELP US UNDERSTAND THE HIGHEST AND BEST USES OF OUR LEISURE TIME.

My most important point conerns stewardship and finance. The Report, OUTDOOR RECREATION FOR AMERICA, 1983, states on page 27:

> "There is substantial sentiment for continuing the Land and Water Conservation Fund or some similar mechanism through which revenues from our diminishing nonrenewable resources can be reinvested in permanent, renewable resources."

One page 35 we read that:

> "Further study should be given to funding needs for federal land acquisition, more efficient management, and mechanisms that would provide necessary funds, ranging from a resource investment trust fund to increased user fees."

It is time that we consider establishing a Natural Assets Trust Fund created from proceeds derived from the extraction of the Nation's mineral resources, oil from the Outer Continental Shelf and from the sale of public domain lands.

I have furnished, for your consideration and the record, a proposal for establishing a Natural Assets Trust Fund and a proposal for the development and implementation of a feasibility study and an educational program for a Natural Assets Trust Fund.

RECENTLY, I ASKED CASPAR WEINBERGER WHAT HE THOUGHT OF THE PROPENSITY OF THE FEDERAL GOVERNMENT TO SPEND ITS CAPITAL IN THE ANNUAL OPERATING BUDGETS. HE QUICKLY RETORTED THAT HE WAS FROM MAINE, AND IN NEW ENGLAND IT IS AGAINST THE LAW TO SPEND YOUR PRINCIPAL. I WISH THAT WERE TRUE THROUGHOUT OUR SOCIETY, PARTICULARLY IN THE PUBLIC SECTOR AND THOSE AGENCIES CHARGED WITH THE STEWARDSHIP OF THE ULTIMATE BASIS OF OUR WEALTH - OUR NATURAL RESOURCES.

BECAUSE THIS NATION IS BLESSED WITH AN ABUNDANCE OF NATURAL RESOURCES, WE HAVE NEGLECTED TO ESTABLISH A LONG TERM RESERVE TO MEET FUTURE NEEDS. THE VALUE OF THESE RESOURCES BELONGS TO, NOT JUST OUR GENERATION, BUT TO OUR CHILDREN AND GRANDCHILDREN. TRUSTS OFFER US OPPORTUNITY FOR MORE EQUITABLE INTER-GENERATIONAL DISTRIBUTION. PROCEEDS FROM THE INVESTMENT OF THE PROPOSED TRUST COULD BE USED TO HELP SMOOTH OUT THE UPS AND DOWNS OF RECREATION FUNDING WHICH RUN WITH THE ECONOMIC CYCLE. WE SHOULD HAVE RESERVES TO HELP ACCOMPLISH NEEDED PROJECTS WHEN THE ECONOMY IS DOWN.

THE TRUST COULD HELP MAINTAIN A CONSTANT FLOW OF PUBLIC SECTOR FUNDING FOR RECREATION AND PARK MAINTENANCE NEEDS.

A NATURAL ASSETS TRUST FUND IS A RESPONSIBLE FISCAL DEVICE FOR INSURING THE INTEGRITY OF FUNDS DERIVED FROM THE SALE OF PUBLIC NATURAL RESOURCE CAPITAL ASSETS. I AM SUGGESTING THAT THE TRUST BE IN PLACE TO RECEIVE FUNDS. I AM NOT ENCOURAGING MORE RAPID DISPOSAL JUST TO CREATE THE TRUST.

I HAVE A FRIEND NAMED JESUS WHO LIVED 2,000 YEARS AGO AND FROM WHOM I GAINED AN UNDERSTANDING OF LOVE FOR MY NEIGHBOR, A NEIGHBOR WHO MAY LIVE 2,000 MILES AWAY OR 2,000 YEARS FROM NOW. I HOPE 2,000 YEARS FROM NOW MY NEIGHBOR IS ABLE TO UNDERSTAND THAT YOU AND I BEST EXPRESSED OUR LOVE FOR HIM THROUGH THE WAY IN WHICH WE DEAL WITH THE EARTH AND ITS RESOURCES. THE ANCIENTS LEARNED THAT "FAMINE" RESULTS WHEN YOU SPEND OR EAT YOUR SEED CORN. WE NEED TO BE REMINDED OF THAT WHEN WE "EAT" OUR NATURAL WEALTH.

President Theodore Roosevelt said, "It is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity."

In summary, we have the opportunity today to balance the system through fees, appropriations, and the pursuit of a "Natural Assets Trust Fund." To quote President Reagan, "If not us, who? If not now, when?"

A PROPOSAL FOR ESTABLISHING -

A NATURAL ASSETS

TRUST FUND

Charles A. Howell, III
February 5, 1985

INTRODUCTION

The noted economist Georgescu-Roegen reminds us that when one's pantry is more than amply stocked, one is apt to ignore the source of one's fortune.

So it is with many policy-makers today. Because this nation is blessed with an abundance of natural resources, our inclination is to deplete some of those (Federally-owned) resources and use the proceeds for operating expenditures. In our concern for meeting immediate expenses, we are neglecting to establish a long-term reserve to meet future needs.

We must learn to treat public resources as a prudent university treats its endowment. Rather than spending dollars from the sale of natural resources— the Federal mineral leasing program, the leasing of oil exploration rights on the Outer Continental Shelf, the sale of Federal lands and surplus property— we should protect the assets in a trust fund, using only the interest generated from that corpus for operating expenses.

President Theodore Roosevelt said, "It is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity."

We ignore Teddy Roosevelt's words at our peril. Establishing a trust fund, and using only the interest generated by that fund, would allow us to manage our national resource gifts wisely so that future generations may continue a life of quality.

By retaining funds derived from the conversion of natural capital, we build a perpetual trust in recognition of the billions of years required for that capital to form.

By investing the corpus wisely, we provide opportunities for a myriad of benefits to society.

A Natural Assets Trust is an idea whose time has come. By investing wisely now, we will provide for the needs of our children and their children's children.

SUMMARY

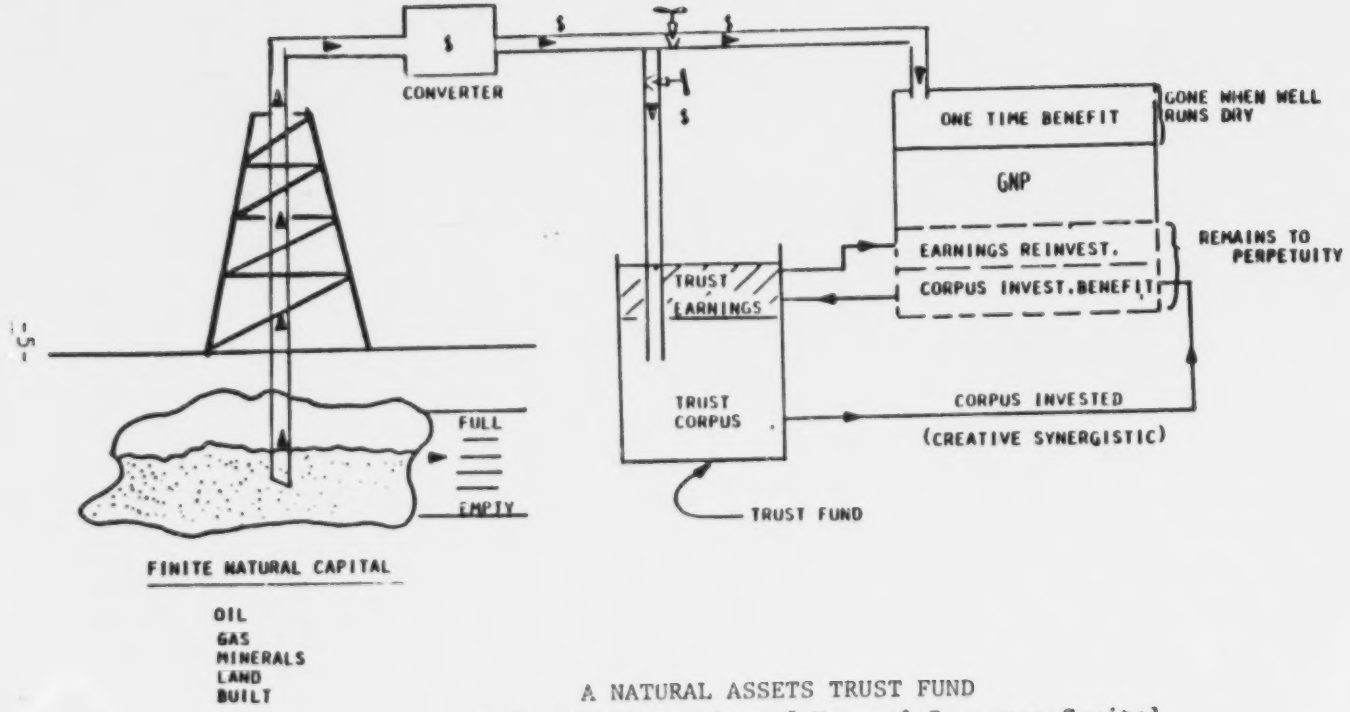
This nation has been expending the proceeds from the conversion of its national endowment of natural and developed capital at an ever increasing rate. This paper proposes to create a Natural Assets Trust Fund from some of the proceeds from the conversion of national natural and developed resources capital.

The diagram attached to this summary depicts an oil well whose oil pool is being pumped dry. The oil (which took millions of years to form) is converted to dollars and at present most of those dollars go into the annual operating budget and have a short term, one time effect on the gross national product. The trust fund described in this paper suggests that a fund be formed from converted natural resources capital and that the corpus of the trust be invested in innovative and synergistic programs which will give compounded benefits to the environment, the GNP, and the development of renewable resources. The earnings from the investment would be spent as directed by Congress, but the corpus of the trust would not be depleted and would continue to be invested as are the earnings, with compounding effect on the gross national product.

If such a fund were created, the earnings could be used for many purposes, examples of which are given in the text. However, Congress may wish to direct some of the proceeds into environmental programs or programs which offer improvements to the land which in some way offset the depletion of the natural capital and view ways to provide substitute benefits. Congress could evaluate some of the earnings for the retirement of the Federal debt, thereby freeing operating dollars presently paying interest.

Consistent with the philosophy of New Federalism, the formation of a trust at the federal level should encourage counterpart trusts at the state level and allocate block grants to states for use in programs which Congress might elect.

The key point is to recognize that we are trustees for our national natural and developed resources capital. This capital belongs to our children and grandchildren and we must recognize that responsibility by establishing a Natural Assets Trust Fund.



A NATURAL ASSETS TRUST FUND
From the Conversion of Natural Resource Capital

A NATURAL ASSETS TRUST FUND

President Theodore Roosevelt said, "It is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity."

Despite significant advances in technology, science has yet to devise a means for creating new wealth except through the extraction and use of natural resources. There is no other wellspring of wealth.

Our nation's endowment is embodied in its public lands, waters, minerals, and the publicly-owned built environment. We must regard this capital as the basis for our continued wealth. We ignore Teddy Roosevelt's admonition at our peril.

A private university depends on its endowment for its continued survival. While a prudent university may increase the corpus of that endowment, it spends only the income from investing that corpus. We have all seen examples of institutions which have spent their endowments on daily operations — and eventually failed financially.

This country has recently launched on a course of spending its natural capital at an increasing rate. Just as a defunct institution may have spent its endowment, we are spending natural capital to retire our debts and to fuel the gross national product, i.e. daily operations.

It is time that we evaluate our responsibility as trustees for the endowment of our natural capital resources. The federal government owns about 35 percent of the 2.3 billion acres of our nation; thus, government has the responsibility to practice the best husbandry of our resources.

The natural endowment, which we are presently choosing to spend rapidly, should benefit our children and grandchildren. It does not belong only to this brief decade of decision and policy makers.

Families in the late 1700's and early 1800's acquired land, cleared it, farmed it, and made it produce new wealth. They were not anxious to sell their property because they knew that their ability to accumulate new capital was tied to that land. Yet, as technology and transportation transformed this nation, many chose to leave the land- to specialize as professionals or to work in the factories. Some members of the family took their expertise away from husbanding their natural capital, their relinquished holdings were sold off piecemeal. These families used up their capital to maintain a high standard of living, and they lost their ability to compound their natural capital. They ate their seed corn. Other families, however, placed proceeds from the sale of land in trust and were wise enough not to destroy the corpus of the trust. Although these wise families may have transformed their occupations, through the trusts they passed to future generations the ability to create and enjoy their natural capital.

As trustees of our nation's natural resource endowment, we have an obligation not only to use resources wisely, but to keep the capital from their conversion (the funds from their sale) in trust. While a trust can never replenish a natural resource which has been used up, we can invest and use the interest which the trust earns in ways which would help us minimize the effects of having expended that resource. A trust allows us to fulfill our obligation to our children, our grandchildren and future generations - at least in part.

This country has recognized the advantages of a private trust by giving the privilege of tax exemption to those people who wish to choose between supporting a charitable beneficiary or seeing funds disappear in governmental machinery. There are also trusts set up so that wealth may be passed on to a family but which are restricted to allowing the beneficiary to spend only that which is earned by the corpus.

A Natural Assets Trust Fund would obtain its endowment corpus from the funds derived from the sale of our government-owned natural capital. This endowment would be invested, and only the earnings from such investments would be spent. Spending only the earnings from a trust would have some very positive economic benefits of a long-range nature:

1. The natural capital would not be depleted in the annual operating budgets; only the earnings from investments would be spent.

2. The GNP contribution from natural capital would be turned into an investment rate of growth as opposed to a short-term rate, inflated by spending all the converted natural capital derived in that year. This would lessen inflation and negative effects on the economy from a short term overheating of GNP through natural capital resource conversion expenditures.

3. By establishing a trust from the converted natural capital, we would recognize that our natural resources are finite and that while we cannot replenish the resource itself, we can build a perpetual trust in recognition of the millions of years which that capital took to form.

4. No tax dollars would be necessary to create the trust — only funds realized from the conversion of natural capital would be used.

5. Earnings from the trust would be used as Congress directs: however, the opportunity to provide for innovative and stabilizing work related to the environment and outdoor recreation would be enhanced.

Another benefit from such a trust would be through designing the investment of the corpus in support of selected priorities. It should be obvious that both investment and grant expenditures have a positive long term effect on the gross national product.

The respected economist-scholar Nicholas Georgescu-Roegen noted in "The Crisis of Natural Resources" that "when one's pantry is more than amply stocked, one is apt to ignore the source of one's fortune." As McGregor Smith, Jr. writes: "There is a vast difference between investing and consuming. This difference was illustrated in (Christ's parable of) the prodigal son. His irresponsible stewardship depleted his inheritance. He consumed all the resources his father gave him. He invested nothing and ended up destitute."

In this nation, where we have a vital interest in living within our means, reducing our debt, and managing our natural and developed resources so that future generations will be ensured the continuation of a life of quality, we should move toward investing our converted natural capital. There are a myriad of uses which Congress may consider for the earnings from an investment trust established from the conversion of natural resources.

The balance of this paper results from comments received after circulating an earlier draft during the summer and fall of 1982. These comments will be limited to the possible uses for such a fund and to the potential size of the fund and the sources for its development.

The natural capital which this country is converting into dollars comes from the federal on-shore mineral leasing program, the leasing of oil exploration rights on the Outer Continental Shelf, and the sale of Federal lands, Federal buildings and surplus property. A large portion of the Federal on-shore mineral leasing program proceeds is already earmarked for Federal reclamation projects and for the states — 50 percent of the proceeds go to the state in which the revenue is produced.

The Outer Continental Shelf proceeds were about $8 billion in 1982 and projected to be higher for ensuing years. Estimates indicate that the sale of surplus Federal lands could be as high as $3 billion over the next three years. It is easy to see that funds in the 40 to 60 billion dollar range will be developed over the next five years from the conversion of this capital into dollars. These funds will be in excess of those already earmarked for the states or for other purposes.

The Federal debt is over a trillion dollars, and the deficits for the new Federal budget exceed $200 billion. When money is borrowed, both principal and interest must be returned. At 8 percent the interest alone amounts to $160 million per year. When the principal is repaid, interest ceases, and more funds are liberated at a compound rate from an operating budget which would otherwise have been used for interest

payments. It is beyond the scope of this analysis to suggest that some of the proceeds of a Natural Assets Trust Fund from the conversion of natural resources capital could liberate more dollars by assisting in retiring the naticnal debt than by being directly used for some other purpose.

The design of the trust would ultimately be the decision of Congress, and the proceeds would be allocated as Congress dictates. A few statistics may clarify the possible scope of the trust.

The table below shows trusts of various sizes and income at 10% earnings:

$10 billion	=	$1 billion/year
$20 billion	=	$2 billion/year
$30 billion	=	$3 billion/year
$40 billion	=	$4 billion/year
$50 billion	=	$5 billion/year

While it is recognized that legislators and executive budget-makers are not usually favorably inclined toward such mandated appropriations as a trust fund, there are farsighted benefits from providing some stability to inconsistent funding which has plagued so many governmental programs. These inconsistencies result in inefficiency and, too often, failure.

While the intent of this paper is to propose that we establish and fund a true trust account with the proceeds from the sale of public lands and mineral resources, it is strongly recommended that the interest from a portion of this trust be invested in the enlightened management of our resources. By such an investment, we would ensure the continuation of a life of quality for our children and our children's children.

Trust funds have been successfully used in state governmental programs and have proven to be fiscally responsible. An endowment provides for a consisteney of funding which can be depended upon by managers of governmental programs. (Unless we are willing to begin a systematic debt reduction program, to cut our overhead, to cease

deficit spending, and to abandon those outworn procedures which have reduced so many levels of government to their current fiscal infirmity, our future may be bleak indeed.) This country has seldom hesitated to try innovative approaches in the past, and we must act now before we deplete our capital assets to pay current bills.

Of course, the design of the trust would ultimately be the decision of Congress, and the proceeds from the trust would be allocated as Congress dictates. However, if it is determined that some income from the trust should be reinvested in resource management, funds might be allocated to the states in the form of matching block grants earmarked for the protection and development of natural and built resources. Such state programs might include:

1. Water resources planning.
2. Waste management.
3. Soil conservation.
4. Forest management.
5. Revitalization of urban and rural parks and acquisition and development of new parks and recreation areas in both urban and rural areas.
6. Wildlife management (including endangered species protection).
7. Preservation of natural areas and rivers and development of trails.
8. Youth employment programs geared to conservation activities.
9. Preservation of the built environment.
10. Archaeological site investigation and preservation.

Trust fund earnings might also be used by federal agencies for both the acquisition and development of land and water and for major maintenance of those resources which the federal government holds in trust for the people.

At the federal level, such ongoing funds might be available for land and water managing agencies, such as the National Park Service, the Fish and Wildlife Service, the U.S. Forest Service, the Bureau of Land Management, and even TVA and the Corps of Engineers. Funds might also be allocated for energy research and development and

for management of the developed environment through both the Department of Housing and Urban Development and the National Trust for Historic Preservation.

State and local programs might be administered by the fifty-five states and territories with minimal, but effective, federal guidelines. The states would bear full responsibility for the proper management of all funds. Such a system would require that the state engage in both long-range planning and budgeting and in sound fiscal management. One stipulation for participation should be a requirement for states to set up a fund with parallel funding and mission.

A FIVE-YEAR PROGRAM OF CONSERVATION AND PUTTING PEOPLE TO WORK

*25% for twenty-year low interest loans (50% of market) for solar research and development. (industry and institute-oriented)

*25% for twenty-year low interest loans (50% of market) to labor intensive (60% or more) main street and central city renewal of existing built resources.

*25% for no interest ten-year loans to the states for revitalization of renewable resources (timber, water, outdoor recreation, range improvement, soil conservation, and fish and wildlife). (people-intensive)

*25% for current revitalization programs as above within the federal system. (people-intensive)

The funding level required for these programs to be effective would have to be determined by Congress. However, these examples philosophically attempt to replace through investment what has been depleted through natural capital conversion.

A $50 billion trust produces, at 10 percent interest, $5 billion/year in income. If $1 billion goes to states in a long-term program as the current Land and Water Conservation Fund and Historic Preservation Fund, there remains $4 billion per year for a five-year plan of research and development, renewal and revitalization:

- $5 billion for Research and Development
- $5 billion for Main Street Conservation Work
- $5 billion for Stateside Resource Revitalization
- $5 billion for Federal side Resource Revitalization

Even some of these funds could be repaid under certain circumstances.

If administered efficiently, this program could put 300,000 semi-skilled, jobless persons back into the work force at $10,000 per year for five years without incurring additional State and Federal deficits. The other positive implications of this program are far-reaching and deserve in-depth study. The $5 billion in research and development loans could bring positive results to the marketplace sooner than an equivalent program of grants for the same purpose. Results-oriented work is stimulated when the "proof is in the pudding!"

Another Fund Example

We are already involved with program funding of a magnitude that would support the establishment of a sizeable trust fund. The Land and Water Conservation Fund already has authorization for almost one billion dollars per year. Part of the funds are made up from federal parks user fees and the balance from Outer Continental Shelf exploration revenues. These funds have not been appropriated and are presently on the books of the Federal Treasury at almost $3 billion. The Historic Preservation Fund has assets of about $600,000,000. Perhaps these funds could be used to establish a natural assets trust, with additional moneys and programs added as Congress determines.

A central issue that gets lost in the debate between "environmental protection" and "resource development" is that man's survival does not depend on one or the other; it depends on both.

What do we, as stewards, of such valuable resources owe to generations of people in 2082 A.D. or 3082 A.D.? Do we owe them the opportunities we enjoy? Are we going to be responsible even to the next unborn generation?

Do not resources of land, water, and minerals represent our country's heritage, regardless of where those resources are located? Do we not all have the right to

benefit from their sale or removal? Certainly, extracting and selling our non-renewable resources permanently reduces our national wealth. By creating a trust fund, we perpetuate a portion of our wealth, thus mitigating the social costs of production and establishing a reserve to cover costs of unknown future events. Such a trust fund has already been successfully established in several states, and the time has come for other states and the federal government to follow their example.

The federal role should include establishing the trust fund on behalf of all the people, allocating interest from the trust, and providing minimum fiscal and planning guidelines. By establishing the endowment, the federal government would be managing most appropriately our national dowry, thus ensuring that our future is not lost to us. A Natural Assets Trust Fund is an idea whose time has come.

The cultural historian Lewis Mumford once said that nations have risen and fallen without realizing their impact upon the land. It is becoming increasingly important that we as a people begin to recognize the critical connection between the natural environment and the developed environment. Our forebears endow us with the developed; we borrow the natural from our children.

We are living in a "throw-away" age and, unfortunately, many of us have not considered the long-range implications of our short-sighted conveniences. Robert Louis Stevenson once said, "Sooner or later we sit down to a banquet of consequences." We can't wait another 300 million years for peat bogs and a warmer age to form more coal and oil deposits. We dare not regard these finite resources as everlasting, lest future generations ask of us, "Who ate tomorrow?"

ADDENDUM

Public Law 85-470 established the Outdoor Recreation Resources Review Commission in 1958. This bi-partisan Commission reported to the President and the Congress in 1962. Among their recommendations were the following:

1) A federal Grants-in-Aid Program to states should be established.

2) The states should plan a pivotal role in making outdoor recreation opportunities available.

From this came the enactment by Congress in 1964 of the Land and Water Conservation Fund Program. This was followed in 1966 by the enactment of the National Historic Preservation Act, Public Law 89-665, which established a planning and grants program for historic preservation activities. Both of these programs were to be managed by the states. Both statutes contained a requirement that the states develop and maintain effective outdoor recreation and historic presevation planning programs.

During the decade of the 1970's, Congress enacted both National Scenic Rivers and Scenic Trails legislation as well as the Urban Parks and Recreation Recovery Grants Program, the latter being an outgrowth of the Urban Parks and Recreation Study directed by Congress. This Urban Parks program differed from the others in that the states were not included as partners in the planning and management of the grants program.

Initially the Land and Water Conservation Fund was to be funded through receipts from entrance and user permits with federal recreation areas. Secondary funding would come from receipts from the sale of federal surplus land and from the Federal tax on the sale of fuel sold to recreational boaters. However, it quickly became evident that these receipts had been over-estimated, and so in the early 1970's, Congress amended the law. This change assured that the differential between what these designated fund sources produced and the authorized ceiling level would be credited to the ledger of the Treasury Department from the receipts resulting from the leasing of Outer Continental Shelf lands for oil and gas exploration and production. This change thus assured the

availability of funds sufficient to meet the ceiling. The current authorized yearly ceiling for the Land and Water Conservation Fund is $900 million and $150 million for the Historic Presevation Fund.

But, neither the Land and Water Conservation Fund nor the Historic Preservation Fund is a true fund, as is the Highway Trust Fund. A true trust fund, whether it derives from the interest on the corpus or from receipts of a specified excise tax, is committed by law for a specific purpose. While Congress may elect not to appropriate all the income from a trust fund (even a trust fund is subject to yearly Congressional appropriation), Congress may not appropriate trust fund receipts to any other function without first amending the trust fund act.

Income for the Highway Trust Fund comes from federal excise taxes on the sale of gasoline, tires and other automotive supplies. Originally this fund could only be used for highway improvements, but the law has since been amended so that these funds may also be used for mass transit.

The federal Pittman-Robertson and Dingell-Johnson programs, which relate to wildlife activities, bear a resemblance to trust funds. The sources of the funds are federal excise taxes on the sale of hunting equipment (in the case of the PR program) and on fishing equipment (in the DJ program). So there is no endowment but only a requirement that tax receipts go to a specific purpose. They are, in effect, user taxes. Without these modified trust funds which send money to the states, most state wildlife programs would be in serious fiscal trouble.

The lessons here should be clear. Beneficial programs with stable funding sources resulting either from true trust funds (endowment from which interest is drawn) or mandated user or excise taxes (e.g., highway and wildlife) succeed, while programs predicated upon yearly appropriations from non-mandated sources often do not succeed simply because of the games which are played with them by those charged with the responsibility for making and adopting budgets.

A PROPOSAL

FOR DEVELOPMENT AND IMPLEMENTATION OF

A FEASIBILITY STUDY

AND

AN EDUCATIONAL PROGRAM

FOR A

NATURAL ASSETS TRUST FUND

Submitted by

TRUST FOR THE FUTURE

June, 1985

Trust for the Future

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ABSTRACT

This proposal constitutes a request for money to undertake a study of the feasibility of establishing and administering a Natural Assets Trust Fund and to develop an educational program for support of such a fund.

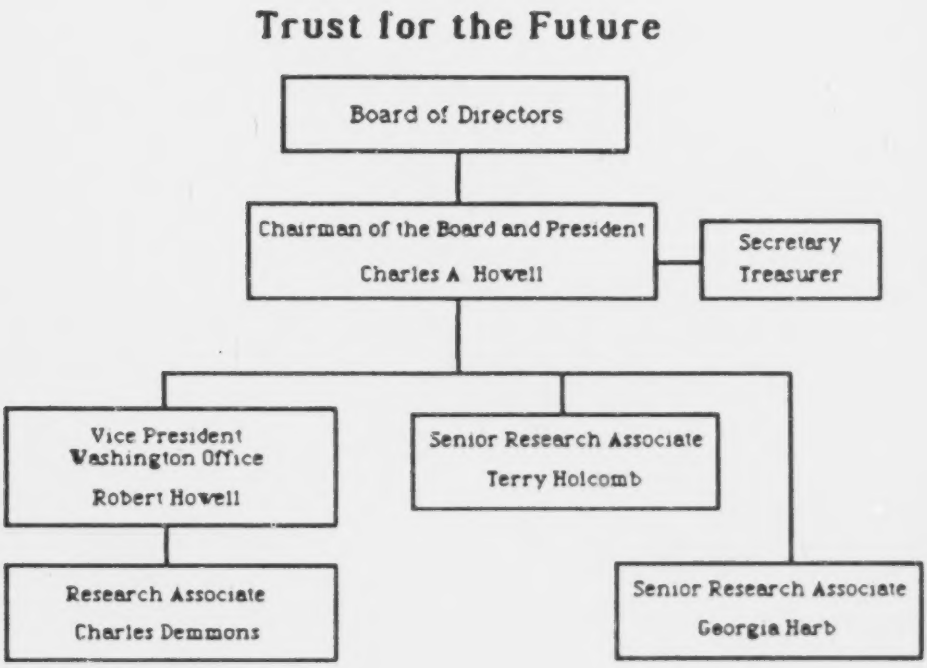
A project organization entitled, "Trust for the Future," has been incorporated in Tennessee to perform these two important projects. Its staff consists of the persons identified on the Project Organization Chart on page 4. Their duties are described on page 5 under the heading of, "The Project Team."

The Message From Charles A. Howell on page 6 gives the importance of establishing and administering a Natural Assets Trust Fund. Following this introduction, various research questions are raised on page 9 indicating the range of issues involved in the Natural Assets Trust Fund proposal. Scholarly papers to be commissioned by the Trust for the Future to accomplish particular research objectives are also identified.

The Project Outline for 1985-1987 begins on page 11. Ten work objectives are defined and the study needed to achieve each work objective is described. A completion target date is also set for each study.

It should also be noted that a questionnaire has been designed and sent to all states questioning them about their status on adoption of natural trust funds. Not all of the states have responded, however, for this reason, the Project Team has not been able to move on to Task 2 under Objective I.

PROJECT ORGANIZATION



NOTE:

Trust for the Future is a non-profit corporation chartered in the state of Tennessee. The overall project administration will rest with the President. The budget will be controlled by the treasurer with oversight from the Board. All expenditures will be in accordance with standard accounting practices, and the books of the corporation are available during business hours for review.

THE PROJECT TEAM

Administration and Coordination ..... Charles A. Howell

Action Plan:

Congressional Assessment	Robert Howell Charles Demmons Terry Holcomb
Communication Study	Terry Holcomb
Feasibility Study	Robert Howell
Literature Search	Charles Demmons
Network Development	Charles Howell Robert Howell
Conference	Robert Howell Terry Holcomb
Other Jurisdiction Review	Charles Howell Charles Demmons
International Research	Georgia Harb
Educational Program	Terry Holcomb Robert Howell

Charles A. Howell serves as a volunteer in this leadership role. He is currently Commissioner of Conservation for the State of Tennessee. He is the author and chief mover of legislation in the 98th Congress which would have accomplished many of the goals of the National Natural Assets Trust Fund (H. R. 5090).

Terry Holcomb teaches at the University of Tennessee and works with the Communications Research Center. He is a candidate for the Ph.D. in communications, and part of the research he has undertaken for Trust for the Future will be the subject of his doctoral dissertation.

Robert Howell operates the Washington office of Trust for the Future. A graduate of Rhodes College, he has worked for preservation of historic buildings and is intimately familiar with the Washington scene.

Charles Demmons is a graduate of Wesleyan College of Connecticut and has worked in Washington for several years.

Georgia Harb has an M.A. in History with a specialty in Middle East Studies from UCLA. While completing work for her Ph.D., she is Administrative Assistant for the UCLA Summer Seminar Program ***Islamic Resurgence in the Arab World*** funded by the National Endowment for the Humanities.

INTRODUCTION

A Message from Charles A. Howell

For many years public sector managers, analysts, and legislators have joined with private sector managers and the voting public in jointly expressing concern about the management of the fiscal affairs of the federal government. The states and most local jurisdictions have been paragons of responsibility when compared to the federal model.

In all of the discussion, little has been noted about one issue--namely, the management of the capital endowment held for all Americans by the federal government: our forest lands, our mineral resources, and all of the other natural gifts that were bestowed upon this continent. Our patrimony, if you please, has been passed on to us by our forebears, and its value must be passed on to our descendents. The baffling fiscal tangle in which we find ourselves has the U.S. Treasury regularly accepting capital dollars from such sources as the Outer Continental Shelf oil royalties and the sale of public lands. A precious inheritance of natural assets in the form of liquid capital is flowing directly into the operations budget to pay for programs that benefit only our generation. This process has been little noted--until now!

Trust for the Future has embarked on a review of this practice and the development of alternative approaches more in keeping with our duties as intergenerational trustees. It seeks support for its ongoing research and development.

Almost all resource-rich states and many foreign countries treat their capital assets in a more responsible manner than does the U.S. government. Tennesse has just enacted the Natural Resources Trust Fund of 1985. The state of

Michigan recently incorporated such a trust fund into their constitution to protect the fund from marauding politicians. Who's right? What are the costs? What are the benefits?

The answers are not available in one repository, and some answers are not yet formulated.

The public is confused. Do we eat our seed corn? Is it right to sell the south forty to keep ourselves in Jack Daniels and crinoline skirts?

Our public sector leaders need answers: the statesman because it's right--the politician because it gets votes.

What is the plan?

Well, right now, as of Spring 1985, we are already at work.

- ☐ Assessing the attitudes of the members of Congress whose home states have some sort of fiscal device to protect its patrimony.
- ☐ Studying to find the best way to explain the issues involved. We call this our communication study.
- ☐ Looking at the available literature on the subject--reinventing the wheel has never been very smart!
- ☐ Developing a national network of citizens, natural resource groups, and other groups that seek fiscal responsibility in the federal government. One of our highest priorities is developing a list of key people, addresses, and telephone numbers.
- ☐ Creating a central clearing house that will keep the lines of communication humming. The extent to which this is done will only be limited by financial restrictions on personnel and allied costs.
- ☐ Sponsoring a national conference on the issue, tentatively scheduled for Spring 1986 in Washington, D.C.

On the next few pages, there is a list of vital questions as well as a detailed action plan to find the answers. Some of the questions are pretty tough. I hope that you will take a few moments to look them over.

It is imperative that answers to opinion surveys, or any other responses, should be based on reliable front-end information. Any appropriate action must not spring from ignorance but from an enlightened public. Development and implementation of a successful educational program is the cornerstone--and the capstone--of our endeavor. By couching the opportunity in terms clearly understood and by using a variety of media, a public awareness can be cultivated, and an appropriate resolution can be reached. Theodore Roosevelt said, "It is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity." We seem to have the energy required. Some applied intelligence is needed for our time

RESEARCH QUESTIONS

The following questions are an indication of the range of issues involved in the assets trust fund proposal. A variety of research methods and data-gathering tools will be necessary to find useful answers.

Domestic Issues:

1. What is the precedent?
2. How would establishment of a fund affect Congressional appropriations for specific resources programs?
3. Is there any reason why Congress should not continue to appropriate money annually, as is now the case with the Land and Water Conservation Fund and the Historic Preservation Fund, or is there merit in severing it from the appropriations process?
4. What is the historical perspective?
5. What would be the likely return on the corpus while protecting its value from inflation?
6. When should the return on the fund be allocated between federal agencies and the states?

International Implications:

1. Historically, what have been the consequences for nations that depleted their natural resources endowment?
2. Which nations or jurisdictions today are depleting their natural resources endowment to directly fund their operating budgets?
3. Which nations or jurisdictions are depleting their natural resources endowment but are developing a trust fund?
4. What nations or jurisdictions are funding broad social programs through liquidation of natural assests? When the assets are depleted and the social programs end, will the likely disruption have the potential for serious harm to our interests?
5. What are the activities of the some of the best existing funds? How is the corpus invested? How are the earnings used?

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Scholarly Papers to be Commissioned by Trust for the Future

A Using available econometric techniques predict the future of our natural resource wealth

B Analyze the concepts of intergenerational equity and intertemporal fairness as related to this issue

C Determine how much money would be available in the corpus if such a policy had been in effect since the first days of the Republic

D Determine how much money would be available in the corpus if such a policy had been in effect since 1945, 1955, 1965, and 1975

E Evaluate the impact of the various trust fund forms currently functioning on a state level

Note Good work has already been done by the Lincoln Institute of Land Policy for the Western Legislative Conference on this subject. An update is in order, and our proposal includes efforts to stay in touch with the states

Project Outline for 1985-1987

A. Objective I: Assess the members of Congress as to their understanding of the concept.

To achieve this objective, the following tasks will be completed:

1. **March 15-May 15, 1985**
   Our current research indicates that almost twenty states have laws on the books which protect their patrimony. We think it is important that the members of Congress who represent those states understand this clearly. They have also been selected to be the first group of members on whom the concept is tested.

2. **May 15-June 15, 1985**
   Calculate results, revise questionnaire and technique.

3. **June 15-August 15, 1985**
   Seek additional responses from interested members. Solicit help from nationwide network currently available (State Liaison Officers). Calculate results, record responses, and review program.

B. Objective II: Communications Study

Outline for Communications Study

The study contains six major components

1. A thorough search of existing literature concerning diffusion and implementation of innovative political concepts.
2. Data-Gathering Project #1: a relatively small sample telephone survey of the mass audience using both open-ended questions and attitude response questions. This phase has the following research goals:
    a. determine existing attitudes and predispositions toward environmental concerns
    b. determine existing attitudes toward the utilization of natural resources
    c. determine direction and power of existing attitudes toward concepts of intergenerational equity
    d. develop a list of words, concepts, and labels that people most often use in discussing these issues

    Target Date: July, 1985

3. DATA-GATHERING PROJECT #2: an experimental study using students in a large lecture class at the University of Tennessee, a comparative treatments experiment. Using the words and concepts derived from Project #1, the study would compare the relative power of several persuasive/informational messages in several different media. The theoretical base would be Mobilizing Information. The basic question would be: is MI a valuable tool in attitude formation and behavioral change? Research goals:
    a. determine the most effective message format to use
    b. determine the most effective channel (medium) to use
    c. determine the relative value of MI in opinion formation

    Target Date: October, 1985

4 DATA-GATHERING PROJECT #3 a Gallileo study of perceptions of budgetary and environmental issues using a random sample and a telephone questionnaire Gallileo methods provide for the creation of a perceptual map of public opinion on a variety of subjects and, through the "message-generator" feature, allows the research team to create the most appropriate messages to "move" public perceptions relative to other issues Research goals

   a determine current relative positions of the electorate
   b produce messages designed to move the electorate public opinion closer to the NATF position

Target Date: December, 1985

5 An intensive review of findings from all three projects and the existing literature

6 A final report with detailed suggestions for

   a identification of the target audiences likely to have the most impact
   b specific messages for appropriate channels
   c relative cost effectiveness of different messages and channels

C. Objective III: To seek authoritative responses to important domestic and international questions.

1. **May-December 1985**

Through interested members of Congress request the cooperation of the Congressional Budget Office, The Congressional Research Service, The General Accounting Office, and The Office of Technology Assessment.

The following questions will be parcelled out to the appropriate office for response:

a. What is the precedent for creation of a National Natural Assets Trust Fund?

b. How would establishment of a fund, the return on which might be used broadly for resources management and conservation purposes, affect Congressional appropriations for specific resources programs?

c. Is there any reason why Congress should not continue to appropriate money annually, as is now the case with the Land and Water Conservation Fund and the Historic Preservation Fund, or is there merit in severing it from the appropriations process? If the latter, what mechanism might be desirable to provide for budget review, priority setting, and expenditure control?

d. Develop an historical perspective including but not limited to:
   (1) Previous proposals, legislation, etc.
   (2) Other federal funds of a similar nature mechanically.

e. What would be the likely return on the corpus while protecting its value from inflation?
   (1) Best case
   (2) Worst case
   (3) Most likely case

f. When should the return on the fund, if established, be allocated between federal agencies and the states? Or should this be a consideration?

D. Objective IV: Certain questions may require research which can best be undertaken in a university setting.

June 1985-June 1986

In order to broaden the long-range understanding of the concept, research may be commissioned outside Washington on many of the questions yet unanswered.

If it is found desirable, many of the questions assigned to public agencies may be investigated concurrently by the university community.

To achieve this objective, a search will be undertaken to recruit scholars who would investigate the following:

Domestic Issues:

1. Using available econometric techniques, predict the future of our natural resource wealth in case studies of conservation--exploitation--depletion
   a. with a trust fund
   b. without a trust fund
2. Analyze the concepts of intergenerational equity and intertemporal fairness as related to this issue
3. Determine how much money would be available in the Corpus if such a policy had been in effect since
   a. the early days of the Republic
   b. 1945
   c. 1955
   d. 1965
   e. 1975

International Implications:

1. Historically, what have been the consequences for nations that depleted their natural resources endowment?

2. Which nations or jurisdictions today are depleting their natural resources endowment to directly fund their operating budgets?

3. Which nations or jurisdictions are depleting their natural resources endowment but are developing a trust fund?

4. What nations or jurisdictions are funding broad social programs through liquidation of natural assests? When the assets are depleted and the social programs end, will the likely disruption have the potential for serious harm to our interests?

5. What are the activities of the some of the best existing funds? How is the corpus invested? How are the earnings used?

E. Objective V: Perform a search of the available literature on this subject.

May-August 1985
A cursory study does not indicate much published material. Nonetheless, a systematic search will be performed using computer key word techniques as well as conventional methods. A bibliography will be developed, and researchers, scholars, and writers, both national and international, will be contacted for additional papers.

F. Objective VI: Interested groups and individuals must be contacted, and communication networks developed.

Currently ongoing: We have been in contact with the leadership of almost every natural resource-oriented organization on the national scene. Contact must be made with international associations in both finance and natural resource management.

1. Compile a listing of organizations with addresses and personal contact.
2. Seek a commitment of support for our work.
3. If affiliation is desirable, this will be investigated and proposed to the board.
4. Specific tasks may be assigned if desirable.

G. Objective VII: A review and update of other jurisdictions.

May-November 1985
Many states, provinces, and countries are in an advanced mode when it comes to protecting their environment.

Useful information is available in the form of yearly reports. Other material is more difficult to come by. A search will be made, and we will attempt to get on the appropriate mailing lists.

H. Objective VIII: A Washington Conference.

April or May, 1986

As a means to bring all of these objective into focus and stimulate the further discussion of the subject, a conclave of representatives from sympathetic groups and from the network would hammer out the issues involved in the creation of the National Natural Assets Trust Fund. Representatives and scholars would present the results of their thinking and their research.

For the first conference, it would be prudent to piggy-back the NASORLO/NASHPO/or Preservation Action spring meeting.

Publication of Proceedings.

The proceedings would then be published in a compact form that would make these up-to-date findings available for mass distribution.

I. Objective IX: The Educational Plan and the implementation of it.

All of the activities previously described form the foundation for the educational plan and its implementation. As key parts of the puzzle fall into place, the plan will develop over the next year. Our intent is to examine many models currently in use and to select the most workable one--or to create a completely new model using the best features of several.

Beginning in early 1986, we will bring the issue to the national spotlight. The planned conference may well kick-off this educational effort. Selected target groups will include:

- ☐ All forms of mass media
- ☐ Administrative leadership
- ☐ Legislative leadership
- ☐ A wide range of interest groups with special attention to:
  1. The financial community
  2. The natural resources community

As these groups are touched, the electorate will become aware through numerous channels of communication. Although it is clear that we must make the issue a popular, pervasive theme in American culture, doing so will not be easy. At first glance, the concept of a National Natural Assets Trust Fund seems complicated. How to condense the idea into a three-word bumper sticker, or a logo on a T-Shirt is yet to be determined. Our approach will be open-ended, and all possibilities will be analyzed and tested.

Trust for the Future
July 1, 1985 to June 30, 1987

PROPOSED BUDGET

KEY OBJECTIVES	CONGRESSIONAL ASSESSMENT	COMMUNICATION STUDY	ANSWERING QUESTIONS OF FEASIBILITY	SCHOLARLY RESEARCH	SEARCH EXISTING LITERATURE	ACTIVITY DEVELOPMENT	CONFERENCE SPRING 86	REVIEW & UPDATE ACTIVITIES OF OTHER JURISDICTIONS	EDUCATIONAL PROGRAM & IMPLEMENTATION	SUPPORT SERVICES	TOTAL BUDGET
A. Wages & Salaries											$0.00
1. Project Director	$0.00	$0.00	$0.00								
C. Newell, Volunteer							$3,000.00		$2,000.00		$7,500.00
24 mos 5.0% Time	$1,000.00	$2,000.00		$500.00							
2. Terry Holcomb											
24 mos 15.0% Time	$2,000.00		$1,500.00	$1,000.00	$1,520.00	$6,000.00	$3,000.00	$2,000.00	$3,000.00	$10,000.00	$30,000.00
3. Robert Newell											
24 mos 50.0% Time	$500.00		$400.00	$500.00	$1,500.00	$500.00	$500.00	$500.00		$500.00	$5,000.00
4. Charles Brennan											
6 mos 25.0% Time	$1,500.00	$3,000.00	$1,500.00	$* 500.00	$1,500.00	$3,000.00	$1,500.00	$1,500.00	$2,000.00	$12,500.00	$30,500.00
5. Clerical $7.00/Hr											
4000 Hours											
TOTAL SALARIES & WAGES	$5,100.00	$5,000.00	$3,400.00	$2,500.00	$6,500.00	$9,500.00	$6,000.00	$6,000.00	$6,000.00	$27,000.00	$73,000.00
B. FRINGE BENEFITS 20%	$1,020.00	$1,200.00	$680.00	$740.00	$900.00	$1,900.00	$1,200.00	$800.00	$1,000.00	$5,000.00	$14,000.00
TOTAL SALARIES, WAGES BENEFITS	$6,120.00	$7,200.00	$4,080.00	$6,200.00	$5,600.00	$11,400.00	$7,200.00	$6,800.00	$8,000.00	$32,000.00	$87,000.00
C TRAVEL	$1,000.00	$750.00	$500.00	$1,000.00	$500.00	$2,000.00	$2,000.00	$1,000.00	$2,000.00	$5,000.00	$15,750.00
D. TELEPHONE	$600.00	$1,500.00	$100.00	$200.00	$200.00	$600.00	$300.00	$500.00	$500.00	$700.00	$5,200.00
E RENT	$1,700.00	$1,700.00	$1,700.00	$1,700.00	$1,700.00	$1,700.00	$1,700.00	$1,700.00	$2,400.00	$6,000.00	$20,000.00
F SUPPLIES	$100.00	$200.00	$100.00	$100.00	$100.00	$200.00	$600.00	$100.00	$500.00	$800.00	$2,000.00
G POSTAGE	$50.00	$100.00	$50.00	$50.00	$100.00	$300.00	$250.00	$200.00	$200.00	$400.00	$1,700.00
H DUPLICATING	$200.00	$500.00	$200.00	$200.00	$200.00	$200.00	$500.00	$200.00	$500.00	$1,000.00	$4,100.00
I PROGRAM PRODUCTION COSTS	$0.00	$1,500.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$2,000.00	$1,000.00	$20,000.00	$0.00	$28,500.00
TOTAL DIRECT COSTS	$3,550.00	$6,250.00	$3,650.00	$4,250.00	$3,900.00	$6,100.00	$7,750.00	$4,800.00	$26,100.00	$15,900.00	$83,250.00
TOTAL PROJECT COSTS	$9,670.00	$13,450.00	$7,730.00	$10,450.00	$9,750.00	$17,500.00	$14,950.00	$11,600.00	$34,100.00	$47,900.00	$169,850.00

1985
RATE SCHEDULE

1985 RATE SCHEDULE
TENNESSEE DIVISION OF PARKS AND RECREATION
INN RATES

APRIL 1, 1985 THROUGH OCTOBER 31, 1985

	Single	Double	Suites
Fall Creek Falls	32.00	44.00	90.00
Henry Horton	32.00	44.00	60.00
Montgomery Bell	27-30	35-38	55.00
Natchez Trace	Modified American Plan: Room plus two meals—$40 first person: $15 for each additional person.		
Paris Landing	32.00	44.00	90.00
Pickwick Landing	32.00	44.00	90.00
Reelfoot Lake	27.00	38.00*	55.00

*Special Double Rates—$32 Sunday through Thursday nights.

Each additional person in room 12 years and older $6.00

NOVEMBER 1, 1985 THROUGH MARCH 31, 1986

Single or Double	28.00
Single or Double	28.00
Single or Double	26.00
Will operate on demand basis. Food service will be available. Room, $35 for first person; $15, each additional person.	
Single or Double	28.00
Single or Double	28.00
Same rates as April through October.	

Each additional person in room 12 years and older $5.00

CABIN RATES [YEAR-ROUND]

Effective April 1985 to April 1986

	DAILY *Friday & Saturday*	DAILY *Sunday -Thursday*	WEEKLY
TYPE AAA	55.00	42.50	275.00
TYPE AA	42.50	32.50	215.00
TYPE A	25.00	22.00	130.00
Fall Creek Falls	60.00	47.50	310.00

RESERVATION POLICIES

Priority is given to requests for weekly cabin reservations during the period from Memorial Day through Labor Day. If cabins are available within two weeks prior to requested arrival date, reservations may be made for a period of less than one week. *Discounts for Senior Citizens (62 yrs. of age or over) are available upon request.* NO DISCOUNTS ON CABINS.

A $5 surcharge is added for one night cabin rental visits.

A deposit equal to the first night's rate is required within fourteen (14) days from date of reservation request. Reservations may be guaranteed with cash, personal check, money order, or American Express Credit Card. Deposits will be refunded if accommodations are not available or if reservation cancellation is received by the park ONE WEEK prior to scheduled arrival date. A $5.00 service charge per room reservation will be assessed for refunding deposits.

Tennessee Department of Conservation
Authorization No. 327040 (Feb. 1985), 20,000 copies.
This public document was promulgated at a cost of 2.3¢ per copy.

GROUP CAMP

Camps at Meeman-Shelby, Pinson Mounds, and Picket (per person per night)	2.50
All other Group Camps (per person per night)	1.50

For summer camp information, contact division headquarters in Nashville. Phone: 615-742-6673, or contact the park of your choice.

CAMPSITES

Effective January 1, 1985

(tax is included in these rates)

TYPE A	2 people per night	7.75
TYPE B	2 people per night	5.50
TYPE C	2 people per night	2.25
Each additional person 7 years and over		.50

Maximum consecutive stay from May 1, 1985 to October 31, 1985 in any campsite is two (2) weeks.
Off-season rates are available at some campgrounds.

TO MAKE CABIN AND INN RESERVATIONS
CALL TOLL FREE
1-800-421-6683
ALL RATES SUBJECT TO CHANGE

Tennessee STATE PARKS

SWIMMING (tax is included in these rates)

All Swimming Beaches	1.25
B.T. Washington & T.O. Fuller	1.25
All other Park Pools	1.75

FISHING (tax is included in these rates)

Daily Fishing Permit	1.25
Annual Fishing Permit (Jan. 1-Dec. 31)	20.00
Natchez Trace Pin Oak Lake Annual-Use Permit	6.50

BOATS

Boat rentals are available at most parks. Fees vary according to type of boat. Weekly boat rentals are available for cabin and inn guests.

REELFOOT LAKE EAGLE WATCH

Tour Bus	Per Person	0.50

WE HONOR VISA, MASTERCARD, & AMERICAN EXPRESS

GOLF GREEN FEES

(tax is included in these rates)

Holidays and Weekends		
At all courses	18 Holes	8.50
	9 Holes	4.25
Weekdays		
At Resort Courses	Unlimited Play	8.50
	9 Holes	4.25
Old Stone Fort, T.O. Fuller, and		
Warriors' Path	Unlimited Play	7.00
	9 Holes	3.50
Golf Carts per 9 Holes		6.50
Privately Owned Golf Carts		3.00
Pull Carts (per day)		1.50
Annual Statewide Golf Permit		250.00
Annual Sr. Citizen Permit		125.00
Golf Club Rental		2.00

Come Share Our Good Nature

Senator WALLOP. Thank you, Mr. Howell.
Mr. JARVIS.

STATEMENT OF T. DESTRY JARVIS, VICE PRESIDENT, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. JARVIS. Thank you, Mr. Chairman, for the opportunity to appear here today and for the courage of this committee to take up an issue which has had such a long and bumpy history. Two of the most recent bumps in that history were the 1979 attempt by the Carter administration's OMB to increase fees and then capture them to offset budget deficits, and the ill-fated legislation of former Secretary Watt to charge fees for access for hunters and fishermen to the public lands.

That history, I think, should lead the committee into this issue with great trepidation, but hopefully the committee can proceed to resolve, at least for the present, a high degree of controversy and do so in a manner that will have broad public support.

I think from the point of view of my association, there are eight principles which should apply to the establishment of entrance fees. I'll speak separately about user fees. Those include the principle that fees should not be assessed with any idea of making national park programs self-sufficient. Fees collected should not be used to offset or reduce funds available through appropriations, but to augment or expand existing programs.

The agency which collects the fees should retain the funds derived. Funds should be held in a central repository or dedicated account, rather than being retained at the individual local unit which happens to collect the fees.

Allocation of revenues collected should be based on resource needs to avoid gilding the most popular areas and to assure that managers do not allow fee collection to become a dominant management factor.

Allocations of collected fees will have to be subject to appropriations by Congress from this separate fund. Entrance fees should not be considered an access fee or right of access. Rather, fees should be based on the impact of the visitor on the resource and that visitor's use of the park's resources and should be so justified to the public.

Any fee program should have flexibility—probably its most important principle—to assure that proper consideration be given to the feasibility of collection, the public policies provided, to the visitor benefits, and to comparable charges on non-Federal agencies and private lands. Fees should not be prohibitively high so as to prevent the use of national parks by citizens at any level of the socioeconomic ladder.

And finally, public land fees are appropriate at widely differing levels wherever special facilities, services, or activities are provided. The level of fees should be based to some extent on comparability with fees in the private sector, but this comparison should be used only to determine maximum fee and not to be used as a factor in setting the minimum fee.

Principally, I think what this committee should keep in mind as it proceeds to resolve this controversy is the fact that there is a

Federal responsibility inherent in the 1916 Organic Act of the National Park Service that requires the Park Service, and thus the Federal Government, to preserve park resources for present and future generations.

To me that means that the basic funds for the core mission of the agency should be derived from the Treasury through the appropriations process. These resources, the natural and cultural, recreational resources of the National Park System, belong to all Americans and they collectively should see that their minimum essential condition is maintained. However, entrance fees should appropriately be applied to augmenting, expanding, enhancing or raising the quality of those resources.

Any attempt to recover an arbitrary sum, such as the 25 percent suggested in the administration's budget request, is going to erode the support of the public for a fee collection program. And that public support is one of the most essential ingredients in Congress moving forward with legislation or the administration moving forward with implementing that legislation. Unless there is understanding and support by the public, the program will be doomed from the start.

Let me move finally to user fees which I think have to be viewed in almost an entirely separate context. User fees are tied, obviously, to the service or the function provided by the Federal agency, and in that regard I think the committee should look at users not just in the recreational sense, but all users of the public lands and view that fee collection that is appropriate from them in a hierarchical sense. I think for general access to public lands where no special services are provided, no fee should be charged. This is what Chief Peterson spoke of, about the multitude of entrances to a national forest or to BLM lands in the West. It's not feasible, nor is it desirable.

I think a nominal charge should be provided for primitive back country facilities, and I'm talking like 50 cents would seem desirable, where the Federal agency has constructed a trail, has put in rudimentary fire pit or refuse pit, and that's it.

A more modest fee, such as the somewhat developed Park Service front country, walk-in campsites, and BLM campsites, the optimum or average fee would apply to those areas which are the standard Park Service developed campgrounds and similar campgrounds of other agencies such as at Corps of Engineer recreation facilities.

The maximum fee would apply to extractive recreational activities such as rock hounding, firewood collection, hunting and fishing. And I think in the case of hunting and fishing, such a fee already exists through the licensing that is already required by the States, and therefore no additional fee would be appropriate for hunting and fishing purposes.

And finally, what I have termed the exploitation fee, perhaps overly harshly. Nevertheless, it will be difficult in my mind to justify a rational fee program to the public for recreation as long as, for example, the 1972 mining law does not require any fee to be paid for taking hard rock minerals out of the public lands. And therefore I think one should view the imposition of recreation user fees in a larger context.

In conclusion, let me just say that any fee program that this committee considers or that the administration, the National Park Service, or one of the land managing agencies considers, must view with great trepidation and view askance the role that the Office of Management and Budget will inevitably try to play, which will frustrate the entire program if they are allowed to dominate.

Therefore, I think the committee in writing its legislation, in writing its committee reports, the legislative history, et cetera, must be very careful to explicitly state what the purposes of the fees are, how they're to be assessed, how they're to be collected, and for what purpose they're to be used; because otherwise OMB's penchant for deriving and tapping supplementary revenues will overshadow the many benefits that an adequate fee program can provide.

Again, I think also central is the educational aspect of this that must accompany it. The Park Service in its interpretive programs, at its entrance stations, through the modest brochure that they pass out, should explain to the public the fee is not charged for a right of access, but because of the services that are provided, because the lands are there for them to use, they create some impact that the Park Service must manage for, and therefore it's appropriate to charge a fee.

I think the support of the public is essential to the survival or the success of any fee collection program.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Jarvis follows:]

STATEMENT OF T. DESTRY JARVIS, VICE PRESIDENT
NATIONAL PARKS AND CONSERVATION ASSOCIATION

BEFORE THE SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER
AND RESOURCE CONSERVATION

AN OVERSIGHT HEARING ON RECREATION FEES AS
AUTHORIZED IN THE "LAND AND WATER CONSERVATION FUND ACT OF 1965"
AS AMENDED

JUNE 27, 1985

Mr. Chairman and Members of the Subcommittee, I am T. Destry Jarvis, Vice President, National Parks and Conservation Association (NPCA), headquartered at 1701 18th Street NW, Washington, DC. Since 1919, NPCA has served as a private, nonprofit defender of the resources and purposes of the units of the National Park System. We appreciate the opportunity to appear before the subcommittee today to discuss the issue of recreational fees on public lands. The collection of fees authorized in the Land and Water Conservation Fund Act has a long and bumpy history, which has resulted in total confusion over what the objectives are or should be for a federal recreational fee policy.

BACKGROUND

Many of our National Park System units offer visitor services, activities and facilities, where capital expenditures and specialized staffs are needed and appropriate. These areas are experiencing greater demand on the resource and, at the same time, coping with smaller budgets. The challenge of coping with this disparity between more use and less money continues to test the ability of the Park Service to ensure the perpetuation of the resource and the opportunity to use it with the support of park visitors. One of the major components in any discussion of fees is obtaining and holding the support of the user. Sound recommendations for a broad policy that covers all federal recreation areas will be necessary. We can no longer accept haphazard, irrational, case-by-case decision-making on the application of fees.

It seems to me that there are two key questions that we have to address and respond to in any kind of recreational fee program consideration. And those are, obviously, who pays and who benefits? The Congress and the various administrations, over the years, have debated this issue repeatedly, but concise conclusions and workable solutions have been evasive.

National Parks and Conservation Association
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If we look back over the history of fees, the Park Service began its fee program in 1916 at Yellowstone. In 1926, the first Director of the Park Service, Stephen Mather, was called before the House Appropriations Committee to defend his fee program, which was an auto use fee based on the number of road miles in the parks. Steve Mather had this to say to the Chairman of the Interior Appropriations Committee after being grilled by an antagonistic committee:

> When we fixed the automobile fees, we did so on a sort of haphazard basis. We took the approximate road mileage and made a charge of $10 for Yellowstone National Park. We made a charge of $7.50 for Yosemite National Park, and for other parks much less, because those two parks were the only ones that at that time had facilities. Later, as we developed our camping facilities in the parks, we got our minds off the fact that we were assessing this fee on the basis of mileage and figured that the only logical way to defend it was on the basis of service that we would render to the people in the parks. As rapidly as conditions would allow, we established these public camps on a better and better scale with more and more facilities, even down to the laundries for the women, with hot water. And we felt that we were giving much better service and were in a much better position to defend these charges than simply on the basis of a road charge.

It should be noted that by statistical comparison with these early park fees, the fees today are extremely low. Mather's $10 fee at Yellowstone and $7.50 fee at Yosemite would work out to about $83 in Yellowstone and about $65 at Yosemite.

In 1939, the Secretary of Interior said, "In making appropriations for the National Parks, Congress had imbued a development of a system of fees which would help to support their costs." In 1964, Morris Udall spoke for the majority in preparing the Land and Water Conservation Fund Act and said, "I cannot believe that American people are going to blame those in Congress who suggested those who use the facilities provided by taxpayers' money should pay a little bit more than those who do not when we're trying to acquire parks we need in the east, west, north and south."

The rationale concerning fees that was exemplified in the Land and Water Conservation Fund Act was based on a recommendation of the first Outdoor Recreation Resources Review Commission (ORRRC) in 1962. That commission articulated the principle that:

> Fees should be charged for those activities which involve exclusive use of facilities or which require the construction of specialized facilities by the government. Fee rates should be calculated to recover a reasonable portion of the cost of administering, operating and maintaining such facilities. It is urged that uniformity in user fees be established among agencies on the same

level of government and among different levels of government. This fee structure will serve to stimulate provision of similar services by private operators who will otherwise be faced with competition from free government facilities.

In 1972, the Land and Water Conservation Fund Act was amended. The majority committee report reiterated the idea of user fees:

> Most members of the committee believe that those people who are fortunate enough to be able to take the time to use and enjoy these areas ought to be willing to help, to some reasonable degree, to defray the cost of providing them with these opportunities. No one wants to price anyone out of these outdoor areas, but neither do they want to unduly burden those who never visit such areas -- either for economic or other reasons -- with all of the costs of making these areas and their related facilities available.
>
> It seems so abundantly clear as to be almost axiomatic. Users of federal recreation areas should contribute more to federal recreation programs than non-users; frequent users should contribute more than occasional users; users of more sophisticated facilities should pay more than users of modest facilities; and users of modest facilities should pay more than non-users of any special facilities.

In 1979, the Carter administration's Office of Management and Budget suggested that they would reduce Park Service budgets by $12 million and order the Park Service to raise an additional $12 million by raising fees. Congress reacted negatively to this suggestion: the late Congressman Phil Burton managed to have an amendment enacted that froze entrance fees at the 1979 levels, where they remain today.

In 1982, the Reagan administration submitted to the Congress a legislative proposal entitled "Recreation Fees and Improvements Act of 1982." This act would have repealed the 1979 moratorium and would have charged fees to hikers, hunters, and fishermen. The legislation was described as being "necessary for full implementation of the President's program for economic recovery." This proposal also produced a strong negative response from Congress. Facing such determined opposition, that legislation was withdrawn by former Secretary Watt four days later.

Also in 1982, the General Accounting Office produced a study entitled "Increasing Entrance Fees -- National Park Service." It based its analysis of whether to charge fees on the six fee criteria added to the Land and Water Conservation Fund Act in 1972: All fees shall be fair and equitable, taking into consideration:

1. the direct and indirect cost to the Government;
2. the benefits to the recipient;
3. the public policy or interest served;
4. the comparable recreation fees charged by non-Federal public agencies;
5. the economic and administrative feasibility of fee collection; and
6. other pertinent factors.

The report concludes that:

> The Congress should repeal the moratorium on increasing and initiating park entrance fees. The Park Service should determine what the fee levels should be for units in the National Park System, using the six legislative criteria. Had the Park Service used the criteria, the concerns of the Congress would have been addressed when it froze entrance fees in 1979. Higher and more widespread entrance fees would shift a more reasonable portion of park costs from taxpayers in general to park visitors.

Despite these various reports and these various actions, the bottom line today is that the federal fee policy is confused as to its objective, is inconsistently applied, is subject to continual Congressional and administration policy changes, and is lacking broad support and understanding. All of these defects must be corrected before there will ever by any kind of rational fee program.

NPCA POSITION

Two major recreation fees are currently being charged within the National Park System, the user fee and the admission or entrance fee. The proceeds from both fees are currently deposited in the LWCF account in the Treasury. Therefore, neither of these funds finds their way back to the activity from which they were originally generated.

In general, NPCA philosophically supports user fees which are defined in the LWCF Act as fees collected for specialized outdoor recreation sites, facilities, and equipment. While these fees are generally accepted by park visitors, we believe that a portion of the revenues collected should be returned to the collecting point with the remainder distributed to needed projects at other sites or parks. The continuation of user fees should be contingent upon their use to enhance the activity that generated them and to mitigate impacts to the park's resources caused by the use.

The entrance fee has been and continues to be the subject of extensive debate. It is this fee on which a moratorium was placed in 1979 and it is the fee that we will discuss in depth today.

NPCA would support an entrance fee at appropriate NPS units if crucial conditions were met which are based on the following philosophical criteria:

* Fees should not be assessed with any idea of making national park programs self-sufficient.

* Fees collected should not be used to offset or reduce funds available through appropriation, but to augment or expand the existing programs.

* The agency which collects the fees should retain the funds thus derived. These funds should be held in a central repository (or dedicated account) rather than being retained at the local unit which happens to collect the fees.

* The allocation of revenues collected should be based on resource needs to avoid gilding of the most popular areas and to assure that managers do not allow fee collections to become a dominant management factor. Allocations of collected fees will have to be subject to appropriation by Congress from a separate fund.

* Entrance fees should not be considered an access fee. Rather, fees should be based on the impact of the visitor on the resource and that visitor's use of the park resource and so justified to the public.

* Any fee program should have flexibility to ensure that proper consideration be given to the feasibility of collection, public policy, visitor benefits, comparable charges of non-federal agencies and other pertinent factors as described in the 1972 Land and Water Conservation Fund Act Committee report.

* Fees should not be pronibitively high as to prevent the use of national parks by citizens at any level of the socio-economic ladder;

* Public land fees are appropriate at widely differing levels wherever special facilities, services or activities are provided. The level of fees can be based to some extent on comparability with fees in the private sector. This comparison should be used only for determining the maximum fee and should not be used as a factor in setting the minimum fee.

CONDITIONS FOR AN APPROPRIATE ENTRANCE FEE COLLECTION PROGRAM

I. Federal responsibility for maintaining national parks:

There is a legal requirement regarding the upkeep of the units of the National Park System which can be found in the 1916 Organic Act of the NPS. The act requires the NPS to preserve the resources for the use of the public now and in the future. It should be noted that this requirement is not contingent upon the amount of revenues collected from the visiting public. We support the long-held notion that the natural and cultural resources of the National Park System, as well as those resources located on the remainder of our public lands, belong to all Americans, whether they use them directly or not. Therefore, the use of appropriated funds from the general treasury to carry out the basic operations of the Park Service should remain the primary means of maintaining our national park units. Any entrance fees collected from the public should not be used to offset regular appropriations for basic operations nor should those funds be deposited in the LWCF account for land acquisition purposes (OCS leasing receipts are sufficient for this purpose).

A dedicated account, similar to the LWCF, should be established to receive entrance fees. As discussed further on, it should be very clear to the public, the Administration (OMB), and the Congress, that the revenues from this dedicated account can only be used to augment park operation needs based on visitor use.

Recent surveys and studies indicate that general support exists for requiring those who use the national parks or public lands to pay a little something extra for the privilege. Nevertheless, the basic responsibility for funding resource management activities, maintenance, interpretation, and law enforcement must remain with the general public through appropriations from the general Treasury. Any attempt to recover an arbitrary sum, such as 25% of administrative costs, is going to erode support for any fee collection program.

NPCA Position in Brief: A reasonable fee collected at designated park entrances, and deposited into a separate account to be distributed annually for prescribed programs, can benefit the park visitor by helping to maintain and protect the resources that they come to see.

2. Retention of collected fees for specific activities related to visitor impact:

The federal land managing agency that collects the fees should retain those fees for approved resource protection or enhancement programs. These programs will differ from park to park and agency to agency, based on how the individual areas are used by the visitor. For example: A Park Visitors Management Account in the National Park Service could receive all entrance fee collections. A portion of the funds could be distributed annually to the parks that collected the money, with the remainder being distributed to parks on a priority basis determined by visitor impacts on park resources. This method of distribution would minimize the possibility of fee collection becoming a dominant management factor at parks where heavy collections are clearly documented.

The success of such a program is dependent upon the public's positive perception of its purpose. Entrance fees should not be considered access fees, but fees that are used to minimize visitor's impact on park resources. Thus, the NPS's education of the visitor regarding this purpose must be a high priority. Visitors should be informed about why the money is being collected, i.e., that their contribution will be used to protect the resources that they come to see.

NPCA Position in Brief: Collection of fees should only occur if those funds will be retained by the agency that collected them and used to augment basic operations. The public must be informed of why those funds are being collected and to what use they will be put.

3. A flexible fee program:

Based on the results of the 1982 General Accounting Office study mentioned earlier, and the existing legislative criteria within the 1965 LWCF Act, flexibility to determine where to charge and how much to charge will determine how successful any entrance collection program will be. Any fees charged should be no more than fees charged at similar state, local or private operations. Further, studies indicate that it is not feasible to take collections at every site.

Flexibility also must be extended to the various federal agencies providing recreation to reflect their individual missions and the needs of the visiting public. Generally, however, some comparability must exist among all federal agencies to avoid totally confusing the visitors.

Fees should never reach a point where they are so high as to discourage any citizen from visiting a federal area. These areas are preserved and protected for the enjoyment of the people. Any policy that would discourage visitors because of price is a bad policy. Common sense must be used in developing any policy.

NPCA Position in Brief:

Entrance fees can not and should not be identical at every site. Flexibility to determine where and whether to make collections will more accurately reflect individual situations, within the NPS as well as the other federal agencies.

USER FEES

NPCA suggests that there is justification for a comprehensive federal user fee program heirarchy with at least six categories. They are:

1. NO FEE. No fee is applicable to general public lands for access where no special service is provided.

2. MINIMUM FEE. A nominal charge for the use of primitive backcountry campsites and trails.

3. MODEST FEE. This is for the minimal facilities: Park Service front country, walk-in campsites and BLM campsites for example.

4. OPTIMUM FEE. Where most of the federal fees fall today. The standard charge for Park Service and Forest Service developed car campgrounds in front country, Corps of Engineer recreation facilities, recreational vehicle usage, and so forth.

5. MAXIMUM FEE. This would cover the sort of extractive recreation uses of mineral collection, firewood collection, hunting and fishing. (In the case of hunting and fishing this fee already exists through license fees.)

6. EXPLOITATION FEE. This is based on the percentage of the assessed value of commercial uses and would be applied to grazing, timbering and mineral activities.

Conclusion

Any discussion regarding the collection of supplemental revenues for targeted activities must consider the role that the Office of Management and Budget will play in frustrating the entire scheme. Since OMB will attempt to use these recreation fees to offset general appropriations, any proposed legislation and accompanying legislative history, that may be developed subsequent to this oversight hearing, must be absolutely specific about how the collected funds are to used. OMB's penchant for obscuring supplementary revenues must be curtailed as much as possible.

NPCA wishes to reiterate that providing funds for the basic operation of the NPS has been and should continue to be the responsibility of the Federal Government. Fees collected from visitors, either the individual entrance, the user fees, or the proceeds from the Golden Eagle Passport, should be used to augment basic park operations.

Support of these fees will occur if and when the visitor is informed about how they will be used. Each visitor to an area impacts the resources to a greater or lesser degree, depending upon the chosen activity. In many of the national park units a visitor's experience is enhanced by specialized equipment, staff, and/or facilities. User fees and entrance fees can make the difference if properly utilized. It is in the interest of all visitors to be informed about how their individual contribution will be used.

Finally, the NPS must remain sensitive to providing free entrance at those sites where fee collection will discourage the major portion of the local population or where collection of fees is infeasible due to a multitude of entrances, as is the case with the urban NRAs.

NPCA stands ready to work with Director Mott and/or this Committee in the development of an appropriate, rational, and effective fee program, which will be understood by and accepted by the public. Thank you for the opportunity to appear before the Committee, and I will be happy to answer any questions.

Senator WALLOP. Thank you, Mr. Jarvis.
Mr. Tindall.

STATEMENT OF BARRY S. TINDALL, DIRECTOR OF PUBLIC AFFAIRS, NATIONAL RECREATION AND PARKS ASSOCIATION

Mr. TINDALL. Thank you, Mr. Chairman. I also appreciate the opportunity and the invitation to be here today.

Let me state for the record at the outset that my organization does not have a specific policy or position regarding the revenue practices of recreation use of Federal lands. However, our membership does consist broadly of recreation park management communities, so we do have and our members have a considerable degree of experience going back to the early 1800's in revenue enhancement on and through public recreation resources.

While overall there is a general trend in greater degree of self-generated revenue as general funds are restricted, there are other public park and recreation systems which argue strongly that basically all recreation park services, or I should say all basic recreational park services should be fully funded from general public revenues.

My statement notes two papers on this subject that explore it both philosophically and in the management context, prepared by David Cockrell and Doug Wellman at Virginia Polytechnic Institute and State University of Blacksburg. I have copies available for both your staff and minority staff and with your indulgence, they might make a useful part of the hearing record this morning.

I think Senator McClure and you, both today and previously, have clearly articulated the idea that revenue enhancement through recreation experiences, through park management, is not a simplistic issue. You clearly stated that from your perspectives they should, at best, be budget driven versus having other origins, and we would fully subscribe to those perspectives.

I might note that in the 1982 workshop which you organized and hosted on land protection, I had the honor of giving a paper on fees and charges at that point, and I called it to your attention because that paper goes into much greater definitional description of the broad range of revenue development matters that might be considered. We simplistically narrow it to fees and charges, but it is much more complex than that, if you will. And I wanted to call that to the subcommittee's attention.

In that context, there is wide variation and potential park sites. Many of the witnesses have spoken to that today. At the community level, for example, it's virtually impossible to generate any entrance fees per se because of the access, or it may be the case of the neighborhood or smaller dimensions of those resources.

Concurrently, a food service or equipment rental or some special feature—maybe it's aquatic or golf, or whatever it might be—does have high revenue generation potential. And in many respects, that notion applies to the Federal resources as well because, as I note elsewhere in my statement, in large measure the National Government has through its concessions management policy and in some related things, have tended to take a different policy approach to what might otherwise—let's say in a community or State

park setting, as Charles mentioned—have very high revenue potential. The National Government generally does not self-manage those facilities or resources, except in certain situations, and I'm not suggesting today we take the lid off concessions management policy, but as the subcommittee may wish in the future to get into the broader revenue development and revenue sharing issue, I don't know how you can avoid looking at that situation.

Let me just mention one local government situation: the Wheeling Park Commission in West Virginia, which is probably the premiere self-management revenue generation facility in the country that I suspect the Presidential Commission may want to look at closely in its investigations and deliberations. They probably generate about 95 percent of their operating, just their operating not their capital budgets, through resource facilities they manage.

I think it's interesting because the management at the Wheeling Park Commission almost always points when you engage them in a discussion of their philosophies, that they at the same time offer more free recreation opportunities than the average, if you will, public park and recreation system which is largely dependent upon general revenues.

So they argue that they have a higher degree of maintenance, a higher quality of maintenance for their resources, and that they are in fact, as I mentioned, able to provide a much greater diversity of recreation opportunities, including the very nondeveloped ones, trail use, nature centers, and what have you.

So there is a feeding back and forth of revenue development versus recreation opportunity.

I also note in my statement the issue of Trends publication, which is something we jointly do. On page 4, about in the middle, I mention that; something that we jointly publish with the National Park Service as a technical series. The No. 4 1984 volume of that dealt exclusively with fees and charges. I would recommend that to you. The subcommittee has been provided with copies of that and we have additional copies, should you so desire them.

I will mention just one part of that particular issue that deals with the—I guess part of the—not a conundrum, but the diversity of views here today—when do you shift out of a public service and public protection mode, if you will, to a revenue development objective?

The root of our organization and many others around this table and agencies around the country is one of resource protection and recreation service that goes back at least to the days of Frederick Olmstead and his views and philosophy on resource protection and social obligations. We believe strongly that recreational park resources and opportunities are an integral part of public service and our resource husbandy in this country, and we would hate to have that basic notion grossly distorted through economic objectives or fiscal policy objectives.

There is a statement on that in the special issue, and I'd encourage the committee to look at that.

Let me shift now to just quickly three or four issues, all of which—well, some of which have been addressed here this morning and all of which may also relate to other pending legislation that this subcommittee or other committees of Congress will deal with.

Let me just quickly mention the Golden Eagle Pass Program and entrance fees generally. Revenue from the sales, as Mr. Mott and others mentioned, have alternately been credited to the land and water conservation fund and alternately to the miscellaneous receipts of the Treasury. Mr. Mott suggested that there was $1 million, plus or minus, that came from Golden Eagle fees. In fact, he's correct on that, but if you look at the entrance fees which are also credited to the land and water conservation fund for fiscal year 1984, that level reached about $36 million.

So even a reasonably modest increase in either specific fees or rate of Golden Eagle generally—and we think that the $25 figure is not unreasonable, particularly if you raise individual park fees—you could go from that $36 million quite quickly, to a $100, $125, $150 million depending on what levels you sought to attain.

I think we differ a little bit in the Department's perception of what should happen to those revenues, if you will, and I'll try to explain that. We think the receipts, at least at this juncture, ought to continue to be credited to the land and water conservation fund. We think further that the Congress should consider making LWCF passport or entrance fee receipts automatically available for obligation and expenditure by land and water conservation fund participating agencies.

And that, philosophically and conceptually, approaches the notion that is embodied in Dingell-Johnson, Pittman-Robertson, and the Wallop-Breaux expansion of Dingell-Johnson.

We think, further, that revenues ought to continue to be restricted to the present purposes of the fund. Now, that differs from what you've heard here by many people this morning who would put that into different degrees of resource protection. Mr. Howell mentioned systemwide as far as Tennessee parks; others have mentioned site-specific returns. We really think that's an open issue, and I'm not sure that if the visiting public were asked, would you pay a fee of *x* dollars or amount if that money were returned to parks—we're not sure that the question has been asked in the full context that it might be asked.

Should the money go—if the money is collected at Yellowstone or at Manasses or whatever, should it go back there? We're not really sure. We think it's an open question. We think the land and water conservation fund has been a systemwide expansion and at the State and local level a development program, and when a person says that they're willing to pay, we think that they're willing to pay for recreation park experiences, quality recreation park experiences, much broader than a site-specific context.

And again, I think that's a little different notion than where the Department, the Department of the Interior anyway, would come down and we would urge the subcommittee to keep an open mind on that—on the application of whatever revenues are generated.

If we expand the revenues that come from a higher fee for Golden Eagle, for example, which we would recommend, you're tapping into a nationally known system, generally accepted by the American public, and has a proven track record of application of funds and using those funds for recreational park purposes.

We think the Golden Eagle Program, whether you look at it from a passport perspective, a multiple park objective, or just an individ-

ual site situation, really ought to be the driving identifiable vehicle here.

Let me refer quickly to general entrance fees versus user charges, and others have given quick reference to this today. Pending legislation, H.R. 1203, and in this body S. 740, proposed to allow the substitution of the so-called duck stamp or the migratory bird conservation stamp, or a daily entrance fee or a Golden Eagle Pass to certain units of the National Wildlife Refuge System.

Revenues would accrue to a proposed wetlands conservation fund. The substitution aspect of this proposal largely ignores the significant difference between a general access fee and a special user fee. We think the Congress ought to reject this comingling of these concepts, if you will.

Should this approach ultimately be adopted, it would in our view lead to gross distortions of future public policy at all levels of Government. For example—and I don't know whether Destry was saying this or not—but it could lead at the State level, for example, to a holder of a State hunting license claiming that he or she or they should have free access to a State facility that happened to charge an entrance fee. Again, you can see the distortions and the actual revenue losses as well that would occur through this comingling of objectives.

The migratory bird hunting and conservation stamp is required, in fact, to seek migratory water foul whether you're on private lands or whether you're on public lands, and in fact is a license for a special purpose and special consumptive purposes and we shouldn't comingle that with general entrance fees.

Another major area on page 7 that we address is the competition for revenue sources and some potential policy and program distortions which might occur as a result of that. And I am being open and candid on this one, because you and we may have some differences of opinion on this. But at least in 1980, there appears to have been an increasing effort by some natural resource management or recreation interest to so-call earmark specific revenue sources for limited recreation or associated natural resource objectives.

For example, section 12 of the Fish and Wildlife Conservation Act of 1980 which was recently approved again by the House, directed the Fish and Wildlife Service to investigate and report to the committees of jurisdiction, potential funding sources for the so-called "Nongame Species Act."

The Service reported to Congress in February of this year, and of the 16 potential funding categories described in the report, at least nine of those categories are clearly related to multiple recreation benefits. So we've taken these potential recreation revenues and very narrowly directed those to nongame species and in a practical sense would direct those to State fish and game agencies and not other State agencies which obviously have a major role to play in nongame species habitat, including parks, forests, and what have you.

Should the Congress ultimately adopt one or more of these sources for narrowly defined purposes, then their application for broader recreational objectives, which I think we all seek, would likely be foregone.

As a practical matter, and as I guess a political and adminstrative matter, we have been unable to document any real communication between Fish and Wildlife Service and National Park Service, especially their grant-in-aid people, during the development of this list of recommendations, and we find that particularly troubling because agencies seem to see off their own turf in revenue development. We've seen it in large measure here today. OMB is driving the issue, rather than the resource management agencies.

Related to this situation are what some consider to be longer term limitations in earmarking the application of revenues from selected recreation products or services. Potential problems involving more narrow definition of the resource conservation actions required to sustain an activity is that you need clean water for safe boating in the recreational experiences there, for example, followed by more troublesome administrative problems again I think mostly at the State level at this point where the practice seems to be to limit the participation principally to certain kinds of agencies; in the case of some that I mentioned, say State fish and game agencies, versus, say, State park agencies. Not a problem in every State, to be sure, but it's an issue that we hear a lot about from our State people as leading potentially to some very difficult problems at the State level.

We think this issue has the potential for developing considerable stress amongst and between recreational park advocates to significantly diminish perhaps the effectiveness of the Land and Water Conservation Fund, especially the State portions of that.

We mention it because it is an issue that in our view the Congress needs to be aware of and to deal with as it considers longer term revenue development and financing programs.

Let me state clearly, having mentioned these last couple of items, that these remarks should not be construed as a statement against the reinvestment in recreational park generator revenues back into recreation resource and recreation experiences. We in fact support that concept strongly. The question of how you go about it and what the vehicles look like is very much an open issue as far as we're concerned, and this subcommittee and the Commission may well want to look at the longer term ramifications of revenue development programs of this nature.

I'd be happy to respond to any questions the subcommittee might have.

[The prepared statement of Mr. Tindall follows:]

STATEMENT OF

NATIONAL RECREATION AND PARK ASSOCIATION

BEFORE

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER

AND RESOURCE CONSERVATION

U.S. SENATE

ON

FEES AND CHARGES FOR RECREATION RESOURCES USE

JUNE 27, 1985

Mr. Chairman and members of the Subcommittee, I am Barry S. Tindall, director of Public Affairs for the National Recreation and Park Association.

The Association is a national not-for-profit organization engaged in a wide range of research, education, policy and program assessments involving parks and recreation. We have a membership of about 17,500 individuals, organizations and agencies which perform an array of civic, professional and technical functions to meet America's diverse recreation demands. For the most part, our members are associated with public recreation and park systems. We have affiliate organizations in each of the 50 States, in Canada and in Europe and Asia.

We appreciate the invitation to share perspectives on the Federal government's consideration of various fees and charges for the use of Federal recreation and park resources.

Let me note for the record that my organization does not have a specific policy regarding revenue practices on Federal lands. However, our membership does consist principally of persons and agencies which manage public recreation and park resources at all levels of government. The use of specific fees or charges is a common practice in many, but not all, of the state and local systems. While overall there is a general trend to a greater degree of self-generated revenue development as general funds are restricted, there are other public recreation and park systems which argue that all recreation resources and services should be fully funded with general special public revenues. Two excellent papers which explore these differing policy and management philosophies have been prepared recently by Dr. David Cockrell and Dr. J. Douglas Wellman, both at the Virginia Polytechnic Institute and State University at Blacksburg. The papers are: Against the Running Tide: Democracy and Outdoor Recreation User Fees, and Democracy and Leisure: Reflections on Pay-as-you-go Outdoor Recreation.

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There is great diversity in when and how the recreation user is charged for resources or experiences, and wide variation in the revenue potential of different types of park sites. For example, a community park with several access points would, in a practical sense, likely generate no revenue from an entrance fee. Concurrently, a food service, equipment rental or a special feature like an aquatic center could generate considerable revenue. This situation will apply to numerous Federal resource areas.

It may seem overly simplistic to note that those state and local public agencies that appear to generate greater amounts of revenues self-manage all or a greater number of the revenue producing facilites in their system. I note this because in many respects the federal government has released to others most of the functions and facilities with higher revenue potential. The National Park Service, for example, is left primarily, but not exclusively, with entrance fees. There are, of course, a number of capital investment and management costs associated with self-managed facilities.

Perhaps the leading local jurisdiction for self-generated revenue in a public setting is the Wheeling Park Commission in West Virginia. The Commission manages two major public parks -- Oglebay and Wheeling -- with a diversity of resources that range from championship golf courses to nature trails. Together these parks generate perhaps 95 percent of their overall operating budget. Interestingly, the commission, while heavily into revenue enhancement, claims to offer more free recreation opportunities than the average municipal park system.

The strong revenue development philosophy at Wheeling has allowed a higher degree of facility maintenance than might otherwise be possible, and the reinvestment of resources in additional recreation opportunities. Oglebay Park is the site for the Revenue Resources Management School, convened annually since 1969 by North Carolina State University and the National Recreation and Park Association.

It is difficult to succinctly describe the varying objectives of public recreation and park systems and the conflicts and opportunities that arise during an inquiry on revenue potential. The chairman of the full committee and the subcommittee are correct in their statements that all proposals in this area require our full consideration. In the interest of brevity today, let me direct the subcommittee's attention a 1984 issue of Trends (Trends, Vol. 21, No. 4, 1984) which focuses on user fees and charges. Trends is a part of the Park Practice Program, a cooperative technical publication effort existing between my organization and the National Park Service since 1956. Extra copies of Trends have been provided to the subcommittee.

In summarizing this part of my statement, let me cite a specific section of the "Introduction" to the above issue.

> "The pattern that has emerged in the public sector looks something like this:
>
> 1. Basic services continue to be offered free or at minimal cost to the public.
>
> 2. Costs are recovered through fees and charges for more specialized high cost services wherever: a) the users can pay, b) it is cost effective to collect the fees, and c) fees are charged for comparable services elsewhere.

3. Cost centers are established through enterprise funds, reimbursable accounts, etc., to sustain high revenue producing operations without tapping into appropriations.

4. Revenue management is becoming more of a professional art by either hiring full time specialized revenue staff or training regular staff.

5. There has been some use of incentives for program managers to optimize revenue generation (e.g., retention of a percentage of fees collected, credit in the budget for revenues generated, performance standards, commissions. etc.).

If the lines appear to be blurring between government and private enterprise park and recreation operations, it is because there is more similarity. But there continues to be distinct differences. Many public park systems could not be managed by private enterprise. They contain large acreages and inventories of facilities incapable of supporting a profit margin. And most important, government is there to provide basic park and recreation services as a public good available to all citizens regardless of ability to pay. These distinctions will continue to limit the extent to which government park and recreation services expand the degree to which their expenses can be offset by revenues."

Let me briefly mention several other recent or pending national policy issues which bear on the issue of fees and charges, and offer perspectives on them. Some of these matters will likely be subject to future hearings on specific bills.

The Golden Eagle Program: The Land and Water Conservation Fund Act of 1965 authorized an annual entrance permit program known as the "Golden Eagle Passport" as a means of accessing multiple federal recreation fee areas. Revenue from sales have alternately been credited to the Land and Water Conservation Fund or the miscellaneous receipts of the Treasury.

Receipts should continue to be credited to LWCF. Further, the Congress should consider making LWCF passport receipts and other entrances fees automatically available for obligation and expenditure by LWCF participating agencies and the States. Revenues should be available for the present purposes of the Fund, not operational costs.

This approach generally applies the concept that members of the public who pay a fee for a recreation opportunity will do so more willingly (perhaps even paying a higher rate) if receipts are applied to additional resource protection efforts. This suggested approach would take advantage of a nationally known and well established program and avoid certain limitations inherent in programs which more narrowly define recipient agencies and uses.

General Entrance Fees Versus User Charges: Pending legislation (H.R. 1203, S.740) proposes to allow the substitution of the Migratory Bird Hunting and Conservation Stamp for a daily entrance fee or Golden Eagle Passport for access to selected federal refuges. Revenue would accrue to a proposed Wetlands Conservation Fund. The substitution aspect of this proposal largely ignores the significant difference between a general access fee and a special user charge. The Congress should reject this proposal. Should this approach ultimately be adopted it would, in our view, lead to gross distortions of future public policy at all levels of government (Holders of state hunting or fishing licenses demanding free access to state parks, for example).
The Migratory Bird Hunting and Conservation Stamp is required to seek migratory waterfowl on all lands, public or private.

It should continue to be used only for its original objective -- partial authority (in addition to state licenses) to seek and consume migratory waterfowl, and to direct revenues to the Migratory Bird Conservation Fund.

Competition for Revenue Sources Potential Policy and Program Distortions: Since at least 1980 there appears to have been an increasing effort by some natural resource management or recreation interests to "earmark" specific revenue sources for limited recreation or associated resource objectives. For example, Sec. 12 of the Fish and Wildlife Conservation Act of 1980, as amended, directed the Fish and Wildlife Service (FWS) to investigate and report to the committees of jurisdiction on potential funding sources for the so-called "non-game species" act. The Service reported to Congress in February. Of the 16 potential funding categories described in the report at least 9 are clearly related to multiple recreation activities. Should the Congress ultimately adopt one or more of these sources for narrowly defined purposes, then their application for broader recreation objectives would likely be forgone. We have been unable to document any involvement by or consultation with the National Park Service in this review.

Related to this situation are what some consider to be longer term limitations to earmark the application of revenues from selected recreation products and/or services. Potential problems involve a more narrow definition of the resources conservation actions required to sustain an activity (clean water for fishing or boating, for example) followed by administrative action, (federal, state or other) to limit

participation primarily to certain agencies (state fish and games versus state parks, for example). This issue has the potential for considerable stress among and between recreation and park advocates and to significantly diminish the effectiveness of the Land and Water Conservation Fund, especially State grant-in-aid and planning processes. It is an issue that should be dealt with during consideration of future revenue sources for parks, recreation and associated functions.

This concludes our prepared remarks. I would be pleased to respond to questions.

AGAINST THE RUNNING TIDE: DEMOCRACY AND OUTDOOR RECREATION USER FEES

David Cockrell and J. Douglas Wellman

Abstract-- There is strong and growing interest in user fees for public outdoor recreation. As a contribution to the policy discussion about the coverage and level of fees, several arguments are presented which favor public provision of outdoor recreation opportunities at zero or nominal cost to the user. Historical, philosophical, and social psychological arguments address the benefits of outdoor recreation for a democratic society.

Additional Keywords: User fees, merit goods, conservation history, psychology of leisure, recreation policy.

INTRODUCTION

There is a groundswell of support behind an old idea, that those who actually use outdoor recreation areas should pay for them. Numerous articles have presented experiences or research data demonstrating the practical benefits fees can provide and discussing ways to implement pay-as-you-go recreation (e.g. Manning and Baker 1981, Flickinger and Waterson 1979, Crandall and Driver 1984). Participants at a recent conference on "Fees for Outdoor Recreation on Lands Open to the Public" were generally positive about fees, and that meeting led to the introduction in Congress of another National Forest recreation fee act in 1984. At the first National Wilderness Management Workshop, held in October of last year, Forest Service Chief Max Peterson expressed his support of user fees for wilderness areas. Further Forest Service support of user fees was provided in a recent report by Cordell and Hendee (1982), in which user fees were identified as the key to solvency of the recreational delivery system. Surveys of users indicate that majorities of them are receptive to paying (Driver and Rosenthal 1984). And, finally, we read of Minnesota's success with a cross-country skiing licensing system (Berrier 1984).

Thus, the trend toward outdoor recreation fees seems justifiable, expeditious and inevitable. In Marion Clawson's estimation, we can expect greater use of user fees, forced, most decisively, by the sheer competition for public funds. As he puts it, we can have "free" campgrounds that are dirty, or we can pay for clean campgrounds (Clawson 1984).

Forthcoming: National Outdoor Recreation Trends II Conference Proceedings.

Any policy trend that seems as overpowering as user fees for outdoor recreation naturally arouses skeptical instincts. Are we about to rush off and make a grand mistake? Are some good things likely to be lost if we repudiate our long-standing commitment to zero cost or nearly free outdoor recreation? User fees may be, in the final analysis, the best course of action, but a major policy shift should be fully aired. The purpose of this paper is to examine several historical and contemporary ideas about the benefits of outdoor recreation. From the range of existing arguments for publicly-supported outdoor recreation, we have elected to focus on the benefits to the individual and the democratic society from intrinsically motivated activity and the sense of community involved in outdoor recreation.

As we engage in policy debate about user fees, we are obliged to profit insofar as possible from history. When the national park system started, with Yosemite in 1864 and Yellowstone in 1872, the visitor was expected to bear the costs. The Congress at that time assumed private entrepreneurs -- notably the railroads -- would provide all the support services needed, for a fee, and the parks would require no financial support from the government (Runte 1979). This cost-free idea never panned out, however. Inadequate management of the parks brought conditions to such a scandalous state that in both Yosemite and Yellowstone the U.S. Cavalry had to be brought in to protect the resources. The threats to the scenic and archeological treasures of the parks eventually led to the establishment of the National Park Service and a tradition of nearly free public recreation now approaching seven decades.

Hunters have also been financing state game management programs for years. The Pittman-Robertson Act of 1937 provided for an excise tax on hunting arms and ammunition, with revenues going into a revolving fund used to assist state agencies in habitat improvement and the development of management programs. The federal government provided 75 percent cost sharing for approved state programs. This program has often been cited for its success in providing a solid base of support for hunting.

However, it is not without its critics. A growing number of wildlife enthusiasts enjoy wildlife for reasons other than hunting. The nationalistic symbolism of the bald eagle, the sense of stewardship in the recovery work on the Peregrine Falcon, and the joy people derive from watching the annual procession at their bird feeders -- all exemplify the nonconsumptive benefits people derive from wildlife. Increasingly, nonconsumptive users are voicing their discontent with the emphasis wildlife management agencies place on game species. Ironically, too, species the agencies have been successful at managing, like whitetail deer, have become more and more the object of controversy from anti-kill groups, who value

them for their existence as part of a quality environment. In response to these measures, efforts are underway across the country to more equitably balance the programs of wildlife management agencies.

Thus, user fees for outdoor recreation have been with us for years, and we have found them less than perfect in several important cases. The issue we must address now is not whether we should have any fees for outdoor recreation. We already have them, and have for decades. The issue is the size and placement of the fees -- should they apply equally to all areas and users, and should they be high enough to cover all costs?

PUBLIC FINANCING AND OUTDOOR RECREATION

The basic mechanism for deciding who gets what in this country is the private market economy. In the marketplace prospective buyers send signals which inform producers of the value of their goods and services, and producers respond by adjusting the types and quantities of their products. Each consumer weighs his options and buys those things that have the greatest utility to him. The sum total of these rational decisions represents the most efficient course for the country. This is a highly individualistic system, at least in its pure form, as befits a country that venerates the rugged individual. When the conditions are right, the private market economy works wondrously well, and toothpaste and tires, pencils and Pontiacs are manufactured, priced and sold with minimal interference from government.

There are a number of times when the conditions are not right for operation of a private market economy, and to some extent outdoor recreation is affected by all of them. Common property resources, such as landscape beauty, do not encourage careful husbanding by individuals, since the costs of their actions are borne by all. Externalities cause some to bear the costs or to profit by the actions of others. For example, extensive clearcutting, paid for by hunters to increase whitetail deer browse and thus provide more deer for hunters to shoot, may also improve berry-gathering and harm trout fishing. Finally, some aspects of our outdoor recreation estate are such that some who derive benefits cannot be singled out and made to pay. Many Americans who have as much chance of backpacking in Denali National Park as we have of a ride on the space shuttle still benefit from Denali's existence. They read about it in magazines and watch TV specials on it, deriving pleasure simply from knowing it is there. They find comfort in the knowledge that, if they can't visit it, at least their children and grandchildren will have the opportunity to.

The most critical test of the fees for outdoor recreation question comes, however, not from these market failures, but from the merit good argument. Merit goods are things which could, at least in theory, be provided by private entrepreneurs, but which are considered so worthwhile that a public decision is made to override or supplement the private sector (Musgrave 1959). In essence, the existence of merit good decisions recognizes that economic efficiency isn't everything. The classic example is public education. It could be and often is supplied by private businessmen, but it has historically been considered so valuable that we provide for it through public action. The idea of merit goods runs against the basic economic doctrine of consumer sovereignty in deciding what to buy, since taxes are compulsory. However, the doctrine of consumer sovereignty assumes complete market knowledge and rational appraisal, two assumptions which often do not hold in a complex world with powerful methods of mass persuasion. With such distortions a collective judgment may be reached that reliance on the private market will result in socially non-optional production and consumption of valuable goods and services. As determined by social judgments based on learning and leadership, then, we have decided that education, public health, libraries, museums, drug control and certain other services are meritorious enough to warrant violating consumer sovereignty and providing them at general public expense.

We believe outdoor recreation has attributes that justify it as a merit good worthy of public support. In the next section, we will review the thoughts of the fountainhead theoretician of the American parks movement and several contemporary thinkers on the individual and societal benefits of outdoor recreation.

VALUES OF OUTDOOR RECREATION

Frederick Law Olmsted

Olmsted is best known for his collaboration with Calvert Vaux in the design of Central Park, and for his many other urban nature-oriented parks that grace our cities. Recent scholarship (Roper 1973, Sax 1980) makes clear, however that this fascinating man was far more than a gifted landscape architect who left us a legacy of beautiful parks; he was also a theoretician whose park designs grew out of his powerful beliefs about American democracy.

For Olmsted, the primary value of parks lay in their contrast to people's everyday lives. Olmsted lived in a time of rapid social change brought on by urbanization and industrial development. He feared the loss of such social anchors as the family, church and tradition. Nature, brought to urbanites through carefully designed parks like Central Park, could provide a permanent standard of value against which daily tasks could be

measured. Olmsted sought to present nature in his parks so as to encourage visitors to set their own agendas, and experience the park at their own pace and with their own thoughts. He believed that nature was intrinsically interesting, allowing the exercise of what he called the contemplative faculty, an inherent human capacity for absorbed attention that was ignored in the workplace. Contemplative recreation thus offered all citizens in a democracy a chance for restoration, an opportunity to gain the perspective necessary for them to play their part in the survival of democracy.

Olmsted also worked toward the general goal of "communicativeness":

> "...an all-embracing relationship based on the confidence, respect and interest of each citizen in all and all in each".

This criterion was important to his park plans. Some may look at the luxurious facilities of Central Park and conclude that Olmsted's park is another example of elites using public funds to advance their own interests. Nothing could be further from the truth. Olmsted incorporated luxurious facilities in his parks in a deliberate attempt to draw the wealthy and educated to the park, in the hopes that they would mix with the lower classes. His model was Birkenhead Park in Liverpool, England. In this quiet little park he saw a powerful engine of democracy.

Olmsted had seen many private parks in England, worth millions of dollars and requiring upkeep expenditures greater than that given the national schools, and their recreational and scenic benefits were the monopoly of the wealthy. In a democracy, he believed, amenities like these should be available to all the people. He did not agree with the apologists of aristocracy that working men and women were incapable of appreciating natural scenery and being improved by its influences. Therefore, in the United States it was the right and the duty of government to protect some natural areas and to make them readily available to all the citizens.

Olmsted's democratic idealism was of religious proportions, and it guided his professional life. He was convinced that if America's grand experiment were to succeed, our citizens had to have the capacity for liberty. At the same time, he did not believe that the configuration of a laissez faire private market economy and a weak government then in place would nurture the ability for self-governance. He called for an active government to provide public parks and gardens, as well as opportunities for art, music, sports and other healthful recreations which would combat the excessive materialism he saw developing. He was also very concerned with the potential for development in America of

clearly defined social classes such as existed in Europe. Large numbers of poor immigrants on the one hand, and the conspicuous display of great wealth on the other, fueled his concern with the breakdown of democracy.

Olmsted began his work on Central Park in 1857, four years after the New York State legislature had authorized land acquisition for the park. For six years he poured his life into the design and construction of the park, battling adversity all the way. He left Central Park to serve in the Civil War, and after the war he went west to manage the Mariposa Estate, a mining operation in California.

This job was not an excuse for a trip or a ducking of responsibility, although Olmsted did not relish returning to the political struggles at Central Park. Olmsted took on the California job with the idea of refuting English critics of the United States who claimed that the frontier crudities found here were the natural product of democracy. The barbarous, lawless, wild west community at Mariposa gave Olmsted a chance to do some social engineering, to transform it into a garden spot and undercut the British critics. For reasons far beyond his control, Olmsted did not succeed at Mariposa. But the job brought this remarkable man and the extraordinary Yosemite valley into contact, and the thinking he went through at Mariposa helped him develop his ideas on parks and their role in a democracy.

Yosemite Valley and the Mariposa Grove of giant sequoias were granted to the State of California in 1864. Olmsted was, in all likelihood, one of those who recommended this precedent-setting legislation. Following the grant, Olmsted was installed as one of nine state commissioners charged with developing a plan for the new state park. Olmsted took the lead in this planning, and the outcome strongly reflects the democratic idealism presented above. Olmsted's report was the first systematic argument favoring governmental leadership in providing parks for people. It linked democratic philosophy and Olmsted's theory of the benefits of encounters with nature.

Thus, one hundred and twenty years ago the foundation of a philosophical justification for public outdoor recreation was developed. By attracting people from all social classes, parks would combat a tendency for social stratification and promote a healthy sense of community. By providing workers with a natural setting that encouraged their individual responses and provided contrast to their daily lives, parks would help America's people develop their ability to govern themselves. These ideas were not entirely original with Olmsted. Thoreau, for example, had espoused the value of nature-oriented parks as a contrast to material preoccupations. Later thinkers, too, would sound one or more of the themes, as did Aldo Leopold in advocating wilderness

preservation for its value in educating Americans about the pioneering genesis of our culture. We have chosen to highlight Olmsted's philosophy because it is both early and thorough, and because it provides such an enlightening counterpoint to contemporary leisure theorists.

Leisure, Perceived Freedom and Leisure Subcultures

The benefits of outdoor recreation espoused by Olmsted have now evolved into well-developed bodies of leisure theory. Of course, the roots of these theories were developed long before Olmsted. De Grazia (1963) translates the Greek definition of leisure as "freedom from the necessity of being occupied". Freedom is the key mental state in leisure, and leisure is independent of time and behavior. In fact, no "occupation" is admissable in leisure for Aristotle, not even recreation, which was necessary as restoration for work. Music and contemplation are the exemplary classical leisure experiences.

Perhaps we should elaborate briefly the idea of contemplation during leisure, as it was a key element in Olmsted's rationale for park preservation. For De Grazia and Aristotle, contemplation is a state of passive receptivity to the environment. The contemplator has no manipulative design on the environment and is thus detached and free from it. Because of his receptiveness and rapt attention, however, the contemplator is also, in a sense, at one with the environment; in an ego-less state of heightened awareness and reduced needs.

The classical notion of leisure is diluted, modified and even dismissed as an idealistic fantasy by some leisure service professionals. The potency of this vision is still with us, however, and many current conceptions of the worth of leisure are strongly influenced by the classical ideal. Gunter's (1979) more electic model, for example, discussed eight subjective properties of the leisure experience, many of which are integral to the classical ideal:

1) A sense of freedom from constraint, an increase in personal choice;

2) The experience is self-contained and self-maintaining, that is, an end in itself;

3) Intensive involvement and enjoyment of the activity;

4) A lack of time awareness, or a sense of timelessness;

5) Separation from the work-a-day world, suggesting the possibility of fantasy;

6) Creativity;

7) Spontaneity; and

8) A sense of adventure, exploration, and curiosity.

The focus on freedom, enjoyment, timelessness and creativity are clearly classical references. Gunter's inclusion of "adventure and exploration" suggests a more active conception of leisure, perhaps influenced by current theorists of play (e.g. Ellis 1973). Csikszentmihalyi's (1975) "flow" experiences emphasized similar psychological dimensions: a contraction of the perceptual field, a heightened concentration on the task at hand, a feeling of control leading to elation and finally to a transcendent loss of self-awareness. Flow, in contrast to classical leisure, occurs during intense activity when the environment seems to provide clear, non-contradictory demands for action and subsequent unambiguous feedback. Flow, or play, is perhaps the active phase of leisure, while contemplation is the passive phase. Both phases, however, are intrinsically rewarding and enjoyable and both build a sense of personal choice and freedom.

So what, one might ask, is the relevance of the classical leisure ideal for outdoor recreation and ultimately for user fees? First, perhaps, it should be said that true play or the classical leisure ideal is difficult to achieve anywhere, but especially through the highly structured, externally motivated recreation common in America. As Csikszentmihalyi (1978) has pointed out, the performance of behavior for external rewards (in work or recreation) is so much the dominant motivational model in western societies that emergent, intrinsic rewards are often completely overshadowed. Much of our recreation is motivated by the desire to make business contacts, meet sex partners or be seen doing something prestigious, rather than by curiosity, exploration and intense involvement, an activity done for its own sake (Cheek and Burch 1976).

The classical leisure ideal has been perpetuated in our culture to a large extent through the transcendental concept of the "wilderness experience", a fragile fantasy involving a pioneer heritage, perceived risk and great aesthetics. Scott (1974) pointed out the similarities between psychologies of self actualization and peak experiences and the descriptions of wilderness experiences offered by George Catlin, John Muir, Loren Eiseley and Colin Fletcher. The state of consciousness Scott describes emphasises depersonalization and an altered time sense, and it bears many similarities to the neo-classical conception of leisure. Leisure, self-actualization and the wilderness experience seem closely related psychological phenomena. Accounts of fragile, transcendent contacts with nature over the 150 years from Olmsted to Scott may partially explain our societal reluctance to put a price tag on the experience.

The more constraints placed upon the recreationist by such regulatory management techniques as fees, the less likely it is that the recreationist will achieve "leisure". As constraint and control of an individual's behavior increase, the experience of perceived freedom and leisure diminish (Neulinger 1974, p. 18).

Now, one might argue, the payment of a $5 user fee is hardly a sufficient constraint to dissipate the pioneer fantasy of a challenging wilderness trip. Kleiber (1979) proposed that individuals who attribute the causes of events to their own actions should not feel externally controlled and are likely to feel more freedom. While limitations in research methods prevented clear conclusions in Kleiber's (1979) research, those subjects who believed that people can change things and are not helpless did hold more positive leisure attitudes. It seems likely that user fees could discourage internal attributions of the causes of behavior, and thereby diminish the leisure experience.

Moreover, the spontaneity and "end-in-itself" tone of a wilderness trip may be significantly moderated by a recreationist's desire to "get his money's worth". Driver and Rosenthal (1984) concluded that users are willing to pay more for a higher quality opportunity, and the same opportunity is sometimes perceived to be of higher quality after an increase in fees! The payment of a user fee would seem to argue that there are things about the experience that the recreationist cannot control, and he had better monitor the rewards of the situation to decide whether he got a good deal. A typical (and accepted) American dilemma, but hardly the classical leisure ideal.

Beyond the philosophical definitions of leisure and the psychological dimensions of the experience, there are social ramifications of true leisure which may be impacted by fees. Kelly (1982) pointed out that many people see themselves first of all as rock climbers, builders and pilots of small aircraft or folk singers, even when their employment is something quite different. For these "amateurs" (Stebbins 1979), the leisure subculture becomes the primary source of self-definition and direction, i.e. it becomes the meaningful community.

Leisure subcultures are important countercurrents in American society, espousing a radical shift from values placed on results to values placed on experiences. Freedom and expression--not accomplishment-are central. Perhaps Olmsted's pan-cultural sense of community was a 19th century pipe dream, but 20th century American recreationists sometimes derive primary social identities from their leisure affiliations. The sense of community generated by social leisure can be an important contributor to self-actualization (Wilkinson 1979).

Opportunities and support for creative behaviors essential for self-actualization are provided by the community, and individuals are afforded the opportunity to take part in defining the leisure skills and intrinsic rewards implicit in leisure activities. In our view, support and nurturance of leisure subcultures is about as important a professional activity as exists in the parks and recreation field.

The impact of user fees on leisure subcultures is, of course, difficult to assess. Perhaps there will be no effect. But Manning and Baker (1981) found "loitering in parking lots" of a local developed park to decrease from 26% of the total park use before initiation of user fees to 6% afterward. This was, of course, reported as a desirable outcome of the fees program. But we are compelled to ask why that leisure group chose to move their social leisure to an alternative site when fees were imposed. Did they decide their activity was not worth the price of admission? What other leisure behaviors are not worth the price of admission and would be displaced? Did the fee communicate a management desire to restrict their behavior? Will wilderness users be reluctant to "loiter" in the backcountry when they have to pay to do so? Is inactivity illegal (De Grazia 1963)?

CONCLUSIONS

To summarize what we have said so far, user fees in outdoor recreation are neither a new idea nor a simple one. Examples of controversies generated by fees range from the early parks to current debates about priorities in user-funded wildlife management programs. It seems likely that the partial funding of national forest wilderness, national recreation areas, and wild and scenic rivers through user fees will result in similar complexities. Several results are probably predictable.

There will be, for example,questions about what sorts of "products" are actually being bundled and sold. It is logical for a producer to group together a number of different attractive products into a package deal to persuade more consumers to purchase. "Bundling" of products is particularly evident in leisure services (Sax 1980), where people are typically attracted to an experience for a number of reasons anyway. Thus, ski resorts sell clothes, gear, food, shelter, passive entertainment, a ride up the mountain, and a ride down if you get hurt. The problem with bundling public outdoor recreation experiences is that too many of the recreationist's choices are made for him. If we believe in leisure, then we must protect the recreationist's right and responsibility to make his own choices. If fee monies become the measure of productivity in outdoor recreation, it seems reasonable to expect more bundling of recreation opportunities, and less choice.

Also, stimulation of private competition is often cited as a benefit of user fees programs. But the substitutability of private facility-oriented opportunities for public resource-based opportunities is questionable. Perhaps public recreation areas should concentrate on provision of nature-oriented leisure emphasizing freedom, intrinsic rewards and development of leisure communities, while perimeter business handles the consumption-oriented facilities and recreation experiences. This model is followed by the town-site approach in Canadian Parks. Leisure is integrally bound to freedom, and recreation managers and programmers should build a focus on personal freedom and choice into their policies and actions.

Implications

Much of what we have said in this paper echoes the position taken by Dustin, McAvoy and Schultz' (1982) Stewards of Access, Custodians of Choice. These authors suggest that park and recreation professionals can lead a fundamental shift in American values, cultivating environmental awareness through education. While Dustin, McAvoy and Shultz rest their case for public recreation on ecological imperatives, we base ours on the freedom, intrinsic motivation and leisure subcultures important to the successful functioning of our democratic system of government.

User fees probably can be compatible with an emerging ethical imperative for the park and recreation profession. They will only be compatible, however, if they reflect a well-formed philosphy guiding the total management effort of a recreation resource. The generalizations we have offered are really only skeletal ideas. The fleshing out of these principles into management guidelines has yet to be accomplished. There will almost certainly be many complexities in application, contradicting principles, and exceptional situations. Our intentions in this paper have been to examine the historical and philosophical issues involved in pay-as-you-go recreation, and to suggest an ethical framework from which to proceed. As we said in the beginning, fees seem justifiable, expeditious, and inevitable. Our hope is that they may be applied judiciously by conscientious professionals, and not as a quick fix for a sagging recreation resource system.

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Democracy and Leisure:
Reflections on Pay-as-you-go Outdoor Recreation

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ABSTRACT

There is strong and growing interest in user fees for public outdoor recreation. Historical and contemporary arguments for recreation as a merit good suggest that we should move cautiously in such a major policy shift. This paper outlines Frederick Law Olmsted's ideas of the benefits to democratic government of both the personal and social dimensions of outdoor recreation experiences. The classical leisure ideal, current psychological conceptions of play, and the social phenomenon of leisure subcultures all elaborate Olmsted's seminal concepts and define the merit goods of outdoor recreation. Policy guidelines are proposed which could lead to management guidelines for user fee systems.

KEYWORDS: User fees, merit goods, conservation history, psychology of leisure, recreation policy.

INTRODUCTION

There is a groundswell of support behind an old idea, that those who actually use outdoor recreation areas should pay for them. Among others, Manning and Baker (1981), Flickinger and Waterson (1979), and Crandall and Driver (1984) have presented evidence of practical benefits from fees and have discussed ways to implement pay-as-you-go recreation. Participants at a recent conference on "Fees for Outdoor Recreation on Lands Open to the Public" were generally positive about fees, and another National Forest recreation fees act was introduced in Congress during 1984. At the first National Wilderness Management Workshop, held in October of 1983, Forest Service Chief Peterson expressed his support of user fees for wilderness areas. Further Forest Service support of user fees was provided by Cordell and Hendee (1982), who identified user fees as the key to solvency of the recreational delivery system. Surveys indicate that the majority of users are receptive to paying (Driver 1984). And finally, we read of Minnesota's success with a cross-country skiing licensing system (Berrier 1984).

The trend toward outdoor recreation fees seems justifiable, expeditious and inevitable. In Marion Clawson's estimation, we can expect greater reliance on user fees as a result of the sheer competition for public funds. As he puts it, we can have "free" campgrounds that are dirty, or we can pay for clean campgrounds (Clawson 1984).

User fees may be, in the final analysis, the best course of action, but a major policy shift should be fully aired. Are some good things likely to be lost if we repudiate our long-standing

commitment to zero cost or nearly free outdoor recreation? Our purpose in this paper is to examine several historical and contemporary ideas about the benefits of outdoor recreation. We will focus on the benefits to the individual and the society from intrinsically motivated activity and the sense of community involved in outdoor recreation. While we realize there are other arguments favoring the subsidy of outdoor recreation - e.g. existence value to non-users, development of an ecological conscience, recognition of our historical roots - we will focus on arguments that relate directly or indirectly to the enhancement of our democratic form of government.

Economic Theory and Outdoor Recreation

The basic mechanism for resource allocation in the United States is the private marketplace. Government has intervened in the private market economy for a number of reasons, one of which is the provision of merit goods. Merit goods could, at least in theory, be provided by private entrepreneurs, but they are considered so worthwhile that a public decision is made to override or supplement the private sector (Musgrave 1959). In essence, the existence of merit good decisions indicates that economic efficiency isn't everything. The classic example is public education. Education could be and often is supplied by private businessmen, but historically it has been considered so valuable that we provide for it through public action. The idea of merit goods runs against the basic economic doctrine of consumer sovereignty in deciding what to buy, since taxes are compulsory. However, the doctrine of consumer sovereignty assumes complete market knowledge and rational

appraisal, two assumptions which may not hold in a complex world with powerful methods of mass persuasion. With such distortions possible, a collective judgment may be reached that reliance on the private market will result in socially non-optional production and consumption of valuable goods and services. As determined by social judgments based on learning and leadership, then, we have decided that education, public health, libraries, museums, drug control and certain other goods and services are meritorious enough to warrant violating consumer sovereignty and providing them at general public expense.

Outdoor recreation has, we believe, attributes that justify it as a merit good worthy of public support. In what follows we review these attributes as they have been put forth by the fountainhead theoretician of the American parks movement and several contemporary thinkers.

VALUES OF OUTDOOR RECREATION

Frederick Law Olmsted: Park Theoretician

Olmsted is best known for his collaboration with Calvert Vaux in the design of Central Park, and for his many other urban nature-oriented parks that grace our cities. Less well recognized is the part he played in the establishment of what became Yosemite National Park; his 1965 plan for Yosemite provided the first systematic rationale for governmental leadership to provide parks for the people. Far more than aesthetic concerns lay behind his work on these parks, as recent scholarship makes clear (Roper 1973; Sax 1980). Olmsted was a park theoretician whose designs grew out

of his powerful beliefs about American democracy.

Olmsted's democratic idealism was of religious proportions, and it guided his professional life. He had seen many private parks in England, worth millions of dollars and requiring upkeep expenditures greater than that given the national schools. The scenic benefits of these parks were the monopoly of the wealthy. In a democracy, he believed, amenities like these should be available to all the people. He did not agree with the apologists of aristrocacy that working men and women were incapable of appreciating natural scenery and being improved by its influences. Therefore, in the United States it was the right and the duty of government to protect natural areas and to make them readily available to all the citizens.

Olmsted believed that parks were far more than luxuries. He felt they could make a vital contribution to the success of American democracy. The benefits to our collective life could be realized both through individual and social experiences in parks.

In Olmsted's view, individual benefits from park experiences derived largely from their contrast to people's everyday lives. He felt that nature, brought to urbanities through carefully designed parks like Central Park, could provide a permanent standard of value against which daily tasks could be measured. Olmsted sought to present nature in his parks in a way that would encourage visitors to set their own agendas and experience the park at their own pace with their own thoughts. His goal was to encourage individual freedom from societal pressures in a way often denied in the workplace. He believed that nature was intrinsically interesting, allowing the exercise of what he called the contemplative faculty,

an inherent human capacity for absorbed attention frequently ignored on the job. Contemplative recreation offered all citizens in a democracy a chance for restoration, and an opportunity to gain the perspective necessary for them to play their part in the survival of democracy.

Olmsted attributed social as well as individual benefits to parks. He was very concerned about the development in America of clearly defined social classes such as existed in Europe. Large numbers of poor immigrants on the one hand, and the conspicuous display of great wealth on the other, fueled his concern with the breakdown of democracy. All his professional life he worked toward the general goal of what he called "communicativeness": "an all-embracing relationship based on the confidence, respect and interest of each citizen in all and all in each." This criterion was important to his park plans. Some have looked at the luxurious facilities of Central Park and concluded that Olmsted's park was another example of elites using public funds to advance their own interests. Nothing could be further from the truth. Olmsted incorporated luxurious facilities in his parks in a deliberate attempt to draw the wealthy and educated to the park, in the hopes that they would mix with the lower classes. His model was Birkenhead Park in Liverpool, England. In this quiet little park, which served people from all social strata, he saw a powerful engine of democracy.

Thus, one hundred and twenty years ago the foundation of a philosophical justification for public outdoor recreation was developed. By attracting people from all social classes, parks would combat a tendency for social stratification and promote a

healthy sense of community. By providing workers with a natural setting that encouraged their individual response and provided contrast to their daily lives, parks would help America's people develop their ability to govern themselves.

Leisure Perceived Freedom and Leisure Subcultures

The benefits of outdoor recreation espoused by Olmsted have now evolved into well-developed bodies of leisure theory. Of course, the roots of these theories were developed long before Olmsted. DeGrazia (1963) translates the Greek definition of leisure as "freedom from the necessity of being occupied". Freedom to do what one wants is seen as the key mental state in leisure, and leisure is independent of time and behavior. In fact, no "occupation" is admissible in leisure for Aristotle, not even recreation, which is necessary as restoration for work. Music and contemplation are the exemplary classical leisure experiences.

Perhaps we should elaborate briefly the Aristotelian idea of contemplation during leisure, as it is a key element in Olmsted's rationale for park preservation. For DeGrazia and Aristotle, contemplation is a state of passive receptivity to the environment. The contemplator has no manipulative design on the environment and is thus detached and free from it. Because of his receptivity and rapt attention, however, the contemplator is also, paradoxically, at one with the environment -- in an ego-less state of heightened awareness and reduced needs.

In spite of many current trends to the contrary, the classical vision is still potent. Csikszentmihalyi's (1975) "flow" experiences emphasize similar psychological dimensions: a

contraction of the perceptual field, a heightened concentration on the task at hand, a feeling of control leading to elation and finally to a transcendent loss of self-awareness. Flow, in contrast to classical leisure, occurs during intense activity when the environment seems to provide clear, non-contradictory demands for action and subsequent unambiguous feedback. Flow, or play, is perhaps the active phase of leisure while contemplation is the passive phase. Both phases, however, are intrinsically rewarding and enjoyable, and both build a sense of personal choice and freedom from extrinsic reward or coercion.

What is the relevance of the leisure ideal for outdoor recreation and ultimately for user fees? First, perhaps, it should be said that true play or the classical leisure ideal is difficult to achieve anywhere, but especially through the highly structured, externally motivated recreation common in America. As Csikszentmihalyi (1978) has pointed out, the performance of behavior for external rewards (in work or recreation) is so much the dominant motivational model in western societies that emergent, intrinsic rewards are often completely overshadowed. Much of our recreation is motivated by the desire to make business contacts, meet sex partners or be seen doing something prestigious, rather than by curiosity, exploration and intense involvement, activity done for its own sake (Cheek and Burch 1976).

The classical leisure ideal has been perpetuated in our culture to a large extent through the transcendental concept of the "wilderness experience", a fragile fantasy involving a pioneer heritage, perceived risk and great natural beauty. Scott (1974) points out the similarities between psychologies of self-

actualization and the descriptions of wilderness experiences offered by George Catlin, John Muir, Loren Eiseley and Colin Fletcher. The state of consciousness Scott describes emphasizes depersonalization and an altered sense of time. It bears many similarities to the neo-classical conception of leisure. Leisure, self-actualization and the wilderness experience seem closely related psychological phenomena. In a study of these similarities, Young (1983) found midwestern wilderness users to be slightly more self-actualized than a sample of non-wilderness users from the general public. Respondents in this study with high leisure ethics were also more likely to be wilderness users and to use wilderness more often. Positive gains in self-actualization, self-concept, internal locus of control and other related variables have often been found in participants of wilderness education programs as well (Gibson 1979, Crompton and Sellar 1977.) Accounts of fragile, transcendent contacts with nature over the 120 years from Olmsted to Scott may partially explain our societal reluctance to put a price tag on the experience.

Now, one might argue, the payment of a $5 user fee is hardly a sufficient constraint to dissipate the pioneer fantasy of a challenging wilderness trip. However, Neulinger (1974:18) concluded that as constraint of an individual's behavior increases, the experiences of perceived freedom and leisure diminish. In some way a user fee may entail such constraint. Kleiber (1979) proposed that individuals who attribute the causes of events to their own actions will not feel externally controlled and will feel more freedom than those who attribute events to others. Kleiber concluded that persons who believe people can personally change things will hold

more positive leisure attitudes. The more constraints placed upon the recreationist by such regulatory management techniques as fees, the less likely it may be that the recreationist will achieve true leisure.

The argument is clearly speculation at this point, but there is a need to speculate. In a study of willingness to pay for a wild river trip on the Big South Fork of the Cumberland River, McDonald, Hammitt and Dottavio (1985) found 21.5% of their 233 respondents unwilling to pay an entry fee. Willingness to pay was negatively correlated with age, education, income, and (most strongly) with the number of rivers floated previously. It may be that experienced, self-actualized users are resistant to the imposition of an external constraint on their leisure experience.

Just as Olmsted's ethical argument for parks included both individual and social dimensions, contemporary sociologists have elaborated social as well as individual benefits from outdoor recreation. Kelly (1982) has pointed out that many people see themselves first of all as rock climbers, builders and pilots of small aircraft or folk singers, even when their employment is something quite different. For these "amateurs" (Stebbins 1979), the leisure subculture becomes the primary source of self-definition and direction, i.e. it becomes the meaningful community. The sense of community generated by social leisure can, in turn, be an important contributor to individual self-actualization (Wilkinson 1979). Support for the creative behaviors essential to self-actualization is provided by the community. Perhaps Olmsted's pan-cultural sense of community was a 19th century pipe dream, but 20th century American recreationists sometimes derive primary social

identities from their leisure affiliations. In our view, nurturance of leisure subcultures is as important as any professional activity in the parks and recreation field.

The impact of user fees on leisure subcultures is, of course, difficult to assess. Perhaps there will be no effect. But Manning and Baker (1981) found "loitering in parking lots" of a local developed park to decrease from 26 percent to 6 percent total park use following initiation of user fees. This was, of course, reported as a desirable outcome of the fees program. But we are compelled to ask why that leisure group chose to move to an alternate site when fees were imposed. Did they decide their activity was not worth the price of admission? What other leisure behaviors are not worth the price of admission and would be displaced by fees? Did the fee communicate a management desire to restrict their behavior? Will wilderness users be reluctant to "loiter" in the backcountry when they have to pay to do so? Clearly, wilderness areas are different from local parks in some ways. The point is that we do not currently understand how vulnerable leisure groups are to external constraints. Driver (Crandall and Driver 1984) acknowledges this information gap in his discussion of "priceless values":

> ...the difficult question is whether excessive fees or poorly administered fee programs will tend to trivialize or anesthetize (appreciative) sentiments through "commodity fetishism", "conspicuous consumption", and demands on the user to over-rationalize not the irrational but the highly unrationable.

In sum, we believe there are philosophical, psychological and social reasons why a democratic society should provide parks and recreation opportunities for its populace at negligible cost to the user. Leisure is integrally bound to freedom, and therefore

recreation managers and programmers should build a focus on personal freedom into their policies. Recreation's contribution to freedom and democracy was recognized as far back as Olmsted. The promotion of intrinsic motivation, self-actualization and leisure subcultures is the work of the parks and recreation profession, and our policies must reflect that commitment. To relate revenues generated from timber sales to revenues from recreation is a non-sequitur. It is precisely because most resources in American society are processed at a price that recreation should not be.

CONCLUSIONS

Many of the ideas in this paper echo the position taken by Dustin, McAvoy and Schultz in their Stewards of Access, Custodians of Choice (1982). These authors suggest that parks and recreation professionals can lead a fundamental shift in American values, cultivating environmental awareness through education. While Dustin, McAvoy and Schultz rest their case for public recreation on ecological imperatives, we base ours on the freedom, intrinsic motivation and leisure subcultures important to the successful functioning of our democratic system of government. We agree with Dustin and his colleagues that the parks and recreation profession must constantly reexamine its ethical base. We also feel that user fee structures are one important avenue for realizing the values we profess.

It would be premature to propose concrete management objectives based on the philosophical argument presented here. Much of this argument is reasoned speculation, in need of corroboration

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through discussion and research. Additionally, managers of specific recreation areas must weigh the preservation of leisure experiences against funding realities, private competition, local value systems, regional economic conditions, agency policies, quality of the opportunities provided, and the logistics of fee collection. As a guide to such site-specific work, however, four general policy guidelines are offered that reflect an ethical commitment to the preservation of leisure opportunities and are sufficiently general to apply to a variety of areas.

First, as has long been recommended in community recreation (e.g. Rodney 1964), the impression of unsympathetic external control should be minimized. Fees should be set by policy and not by opportunity; services should be based upon need and not upon profitability. Once a decision has been made to levy a charge on direct users, the most unobtrusive method available should be chosen. Thus, recreation permits like fishing licenses, or excise taxes on critical equipment would be preferable to on-site entrance fees. User fees should be explicitly targeted for the maintenance and expansion of outdoor recreation opportunities, and visitors should be informed of the enhanced opportunities through interpretive media.

Second, fee structures should reflect the degree to which an experience is based on unconfined freedom and personal choice. The Selway River in Idaho, for example, offers a four to ten day challenging wild river trip, entirely through classified wilderness, with drinkable river water and unregulated camping. One party per day (most of which are private parties) is permitted to launch so that opportunities for solitude and unconfined recreation may be

maximized. If we are to encourage the experience of personal freedom, a fee for this experience would be inappropriate. The New River Gorge National River in West Virginia also offers a highly challenging river trip. However, 92 percent of the 82,000 people who float this river each year participate in commercially outfitted trips with a guide in each raft. Decisions about equipment, food, transportation, scheduling and safety are all made for the customers. Almost all trips are day trips. A head tax for the New River experience seems more justifiable than for the Selway.

Third, recreation experiences clearly based on education or contemplation should be free. These are as much a merit good as education in the public schools. Most forms of outdoor programming (interpretation, environmental or outdoor education) would fall into this class, but not all. The goal of the experience should be enhanced awareness and consequent freedom, sensitivity and responsibility--not entertainment. Thus, guided experiences are not synonymous with education experiences. The U.S. Forest Service acknowledged a distinction between educational or therapeutic institutions and commercial outfitters in a 1984 revision of their outfitting and guiding permit policy (Federal Register 1984). Social benefits provided, especially to disadvantaged clients, specifically exempt a non-profit organization from paying for a commercial permit. A similar rationale should apply in the selective application of other user fees.

Finally, user fees might be structured to support leisure subcultures, rather than impeding their development. If explicitly lowered fees are attached to specific experiences (e.g. season passes for hang gliding in a national forest), then the fee itself

may communicate support for serious individual commitment to the activity. This effect could, of course, be enhanced through other symbols of group membership like cards or patches, opportunities for participants to volunteer their efforts in management of the activity, or through specially targeted interpretive activities. In addition, reduced fees for repeat visitors may communicate support for long-term involvement.

The generalizations we offer here suggest that user fees can be compatible with an emerging ethical imperative for the park and recreation profession. They will only be compatible, however, if they reflect a well-formed philosophy guiding the total management of a recreation resource. The policy guidelines we have offered are really only skeletal ideas. There will almost certainly be many complexities in application, contradicting principles, and exceptional situations. Our intentions in this paper have been to examine some of the historical and philosophical issues involved in pay-as-you-go recreation, and to suggest an ethical framework from which to proceed. As we said in the beginning, fees seem justifiable, expeditious, and inevitable. Our hope is that they may be applied judiciously by conscientious professionals, and not as a quick fix for a sagging recreation resource system.

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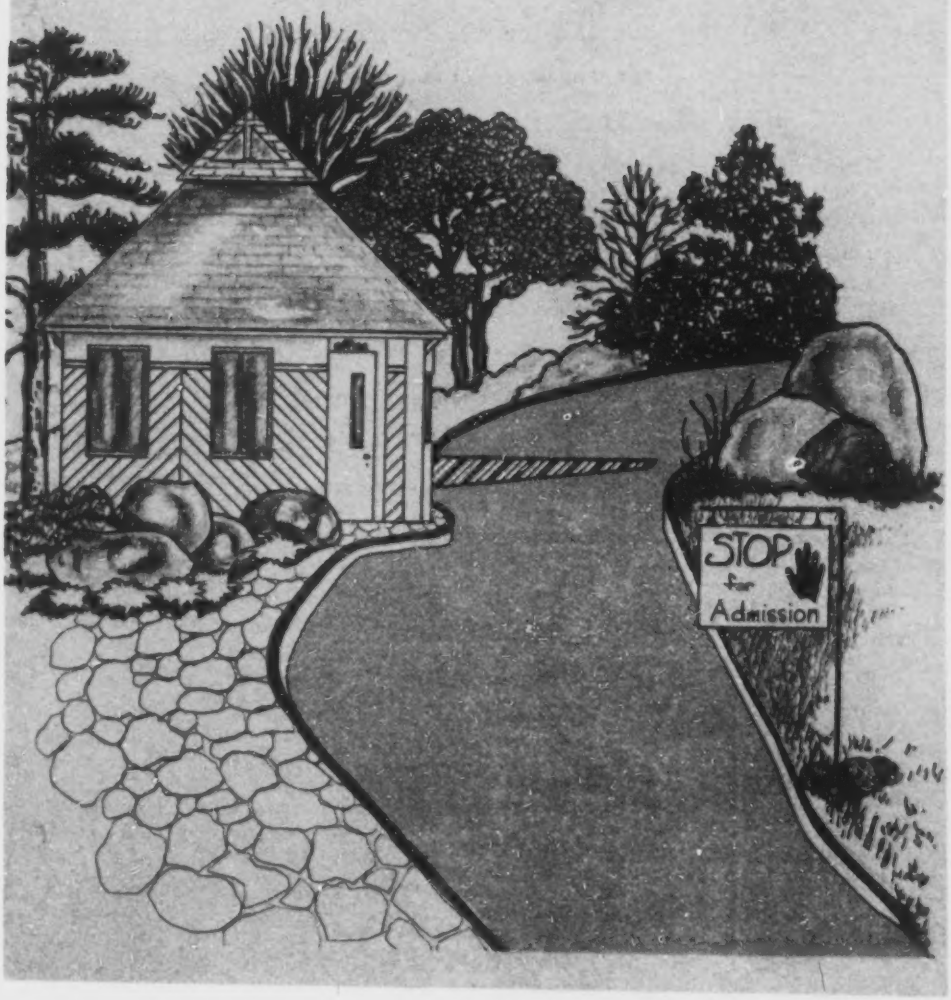
User Fees and Charges



Trends

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Introduction

by Ray Murray

The public park and recreation movement has come a long way from the village commons, settlement houses, and showpiece parks of earlier American times. Today, our public park systems include vast wilderness areas and vest pocket parks, mansions and museums, bandshells and historic homes, swimming pools and soccer fields, zoos and golf courses. In them Americans can play tennis, learn tai-chi, camp in the backcountry, attend folklife festivals, do aerobic dancing, go beachcombing or canoeing, ride bike trails, raft rivers, or make pottery, just to name a few of the possibilities. Never have so many had so much accessible and affordable recreation to choose from. Our society has come to regard this wealth of recreation resources and choice of opportunities as an inalienable right for all citizens. It is a means to the "pursuit of happiness" cited in our Declaration of Independence.

To make this possible, the people of this country have established, and supported with their tax dollars, a host of public park and recreation agencies. These agencies are charged with acquiring, protecting, developing and managing park and recreation lands for us all.

Operating our public park systems and continuing to provide an array of quality leisure experiences to the citizenry is an increasingly complex, difficult task for most public park and recreation professionals. Conflicting priorities for limited tax dollars usually result in appropriations at all levels of government which are not keeping pace with the costs of operating public park and recreation systems. Public agencies are working hard at improving the cost effectiveness of their operations and generating supplemental sources of support including fees and charges. So the *User Fees and Charges* topic for this issue of *Trends* is timely.

Since the taxpayer revolt which surfaced with California's Proposition 13 in June 1978, pressures on the public managers to generate a higher percentage of income from park users have intensified. This pressure is in marked contrast to the preceding two decades in which large infusions of tax dollars resulted in the rapid expansion of park systems around the country and a relaxation of generating revenues from visitors. During those two decades, government endeavored to serve everyone at little or no direct cost to the park user.

As evidenced by public opinion polls, the taxpayer's revolt was calling for less taxes and more "pay as you go" financing of public services under which users bear more of the cost of specialized services they enjoy and the taxpayers pay less. The revolt spurred governing bodies and administrators nationwide to ask public managers to charge users more for the services they enjoy. Most public park and recreation agencies have become more aggressive revenue managers. Many recreation programs are required to be self-supporting. Revenue producing facilities are given higher priority for construction. High revenue generating services such as golf, tennis, recreation classes, and exercise classes are set up as self supporting cost centers separate from appropriations.

The pattern that has emerged in the public sector looks something like this:

1) Basic services continue to be offered free or at minimal cost to the public
2) Costs are recovered through fees and charges for more specialized high cost services wherever: a) the users can pay, b) it is cost effective to collect the fees, and c) fees are charged for comparable services elsewhere
3) Cost centers are established through enterprise funds, reimbursable accounts, etc., to sustain high revenue producing operations without tapping into appropriations
4) Revenue management is becoming more of a professional art by either hiring full time specialized revenue staff or training regular staff
5) There has been some use of incentives for program managers to optimize revenue generation (e.g., retention of a percentage of fees collected, credit in the budget for revenues generated, performance standards, commissions, etc.).

If the lines appear to be blurring between government and private enterprise park and recreation operations, it is because there is more similarity. But there continue to be distinct differences. Many

public park systems could not be managed by private enterprise. They contain large acreages and inventories of facilities incapable of supporting a profit margin. And most important, government is there to provide basic park and recreation services as a public good available to all citizens regardless of ability to pay. These distinctions will continue to limit the extent to which government park and recreation services expand the degree to which their expenses can be offset by revenues.

For many public park and recreation professionals, it has been very unsettling to shift values from an era of providing essentially "free" services to the public to an era of generating fees and charges wherever possible. Are we in the business of protecting park resources and serving people or are we in the business of collecting fees from park visitors? The reality is both. The issue is not whether we will establish and collect user fees and charges. The issue is for what services and how much will we charge, and how will we continue to accommodate low income park users along with those who can pay the higher fees.

Revenue management has always been part of our job as stewards of public resources entrusted to our care. We must add revenue management to our list of professional skills. It is not surprising that there are well-established Revenue Source Management Schools sponsored by the National Park and Recreation Association in Wheeling, West Virginia; Boulder, Colorado; and San Diego, California which offer two-year, week-long curriculums to public park and recreation professionals to fine tune their public revenue management skills.

Furthermore, we must not lose sight of the fact that public park and recreation systems are a cornerstone in the U.S. leisure industry where recreation is not only a right, but also a commodity. The August 13, 1984, issue of *U.S. News and World Report* estimated that Americans in 1984 will spend $310 billion on sports, recreation and entertainment. It is a measure of the American people's ability and willingness to pay for recreation experiences. It would be irresponsible for us as stewards of public lands not to consider recovering a fee from park users.

Our challenge is to manage our user fees and charges to: 1) insure a fair return on the public's investment, 2) transfer a fair share of the cost for specialized services from the taxpayer at large to the park visitor who enjoys the service, and, 3) insure the public is not denied access to quality park and recreation experiences.

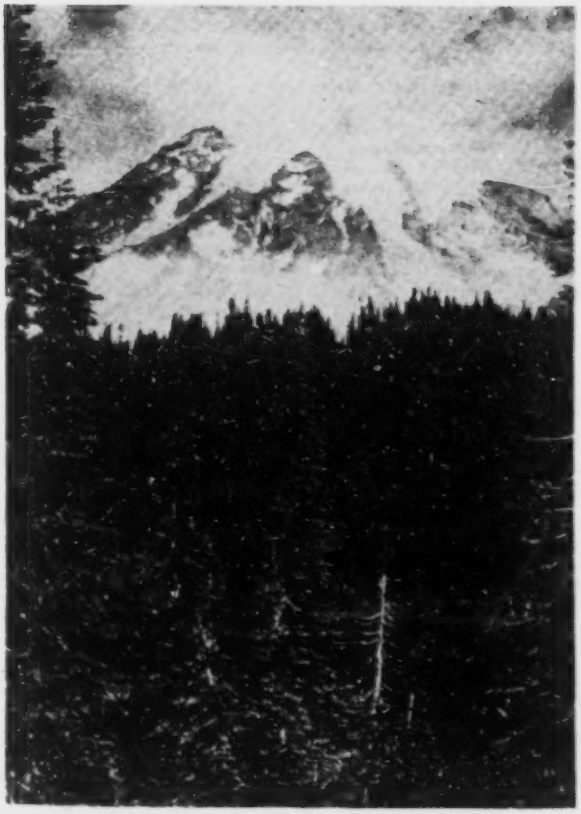
This *Trends* issue offers insights and ideas on public user fees and charges. Barry Mackintosh's article reminds us we've been in the revenue management business all along. Sarah Jones' article looks at the role user fees and charges play in parks and recreation financing across the country today. Four large federal land managing agencies—the U.S. Forest Service, National Park Service, Bureau of Land Management, and U.S. Fish and Wildlife Service—report their perspectives. Dr. John Crompton of Texas A&M, one of the most knowledgeable professionals in this field, discusses price setting considerations for user fees and charges. There is an article on techniques for insuring that low income populations are not denied access to parks by higher fees.

Since fees often have a bearing on the extent of liability, there is an article by noted authority James Kozlowski, J.D., whose articles appear under the NRPA Law Review column in NRPA's monthly *Parks and Recreation* magazine. Hopefully, these shared perspectives and viewpoints will assist you and your staff in making informed decisions for implementing user fees and charges.

Ray Murray is Chief, Division of Park and Recreation Technical Services, National Park Service, San Francisco, California.

Visitor Fees in the National Park System: A Look Back

by Barry Mackintosh



In 1908, Mount Rainier National Park became the first park at which the government levied visitor fees.

William S. Keller, NPS

The national parklands are not free. They represent major financial investments by the federal government. The older parks were established on the public domain or donated lands, but they still needed and continue to need expensive development, staffing and maintenance. Many later additions to the National Park System have also required large public expenditures for land acquisition.

Throughout the history of the System there have been differences of opinion—often sharp—as to how these expenses should be borne. One side has held that admission to the parks and the use of most park facilities and services should be without specific charge to the visiting public, which is to say that the full cost of the parks should be paid by the general taxpayer. The other side has held that people actually using the parks should pay, through entrance and user fees,* a proportionately greater share than the public at large.

In recent times few have contended either that the parks should be entirely supported by their users or that all facilities, such as developed campsites, should be "free"; the issue has narrowed for the most part to whether and where entrance fees should be levied and how much should be charged for park entry and use of developed facilities.

**In this paper, as in current official parlance, "user fees" are charges for specific facilities within parks and exclude entrance fees, even though the latter are charges for the use of parks as a whole.*

In these high-deficit times, there is more pressure than ever to cut federal expenditures and increase revenues. National parks represent "nonessential" spending (as much as we hate to admit it), and most of their visitors are relatively prosperous folk who have the money and leisure to travel, who willingly pay the higher charges levied at commercial attractions, and who would be unlikely to forego the parks if fees there were raised to levels commensurate with their values. These considerations have inspired proposals under both the last Democratic and current Republican administrations to increase entrance and user fees, in effect reducing the extent to which the general taxpayer subsidizes the park goer. Such proposals have encouraged strong opposition in Congress, where key members have led the fight to freeze or hold down direct charges to the visiting public.

In common with other government innovations before and since, the first national park was promoted to Congress as requiring no appropriated funds. Yellowstone's backers contended that concessioner rents would provide all the income needed for its administra-

tion. Six years after its establishment in 1872, the park did start receiving appropriations for boundary marking and protection, but the need was billed as temporary.

Auto Permit Fees

In 1908, Mount Rainier National Park became the first park at which the government (as opposed to concessioners) levied visitor fees. The charges were for auto permits (Mount Rainier also being the first to admit automobiles). Cars and fees for their entry followed at General Grant (Kings Canyon's forerunner) in 1910, Crater Lake in 1911, Glacier in 1912, Yosemite and Sequoia in 1913, Mesa Verde in 1914, and Yellowstone in 1915. In 1916 seasonal auto permits ranged from $2 at Glacier and Mesa Verde to $10 at Yellowstone, with lower rates for single trips.

A year later single-trip permits were abolished and the season trip rate was reduced in most cases to the former single-trip rate, from $7.50 at Yellowstone down to 50 cents at General Grant.

The ideal of self-supporting parks still received rhetorical homage and was actually achieved on occasion. Yosemite turned a profit, primarily from concessions, in 1907; and Yellowstone's receipts exceeded expenditures in 1915 and 1916, when automobiles were first admitted there. During the 1914 season, 1,594 auto permits were issued at Mount Rainier, and its superintendent "confidently predicted that park revenues will be sufficient to meet the expenses of an economical administration of park affairs as soon as the present road is permanently improved and safety and comfort assured to automobile users."

In the 1917 annual report of the National Park Service, Acting Director Horace M. Albright was equally optimistic, foreseeing that "the time will soon come when Yellowstone, Yosemite, Mount Rainier, Sequoia, and General Grant National Parks and probably one or two more members of the system will yield sufficient revenue to cover costs of administration and maintenance of improvements."

Far more than would later be the case the National Park Service was then highly motivated to levy and collect auto fees, which were justified as offsetting the cost of park road construction. The receipts were held in a special account and could be spent for park purposes without Congressional appropriation. Congress viewed this arrangement as circumventing its prerogatives, however, and beginning in 1918 required fee receipts to go to the general Treasury. Inevitably, this reduced the Service's incentive for fee collection.

A key policy letter the Service prepared for Secretary of the Interior Franklin K. Lane's signature in 1918 directed that "automobile fees in the parks should be reduced as the volume of motor travel increases." The volume increased rapidly, and the fees—high by current standards after the 1917 reduction—were cut again in 1926. Rep. Louis C. Cramton, chairman of the House Interior appropriations subcommittee, wanted still lower charges. In his view, auto permits should serve only a regulatory function, not be expected to produce revenue. He suggested a seasonal pass that would admit a car to all national parks "for one or two dollars."

The Bureau of the Budget opposed this revenue curtailment, and Director Stephen T. Mather objected to the concept on other grounds, telling Cramton: "In connection with the general fee for the parks there is a little question of psychology. You know yourself if a man goes to a park like Mesa Verde he should spend the entire summer there. Under your plan I am afraid that if there is one fee for all parks you would stimulate the desire to keep moving around, and they would only spend a few hours in one park." Cramton called Mather's argument "quite fanciful," seeing no reason why a single permit would cause people to slight the parks more than they did already. Some 40 years later his idea would be adopted.

Secretary Lane's letter also called for "a system of free camp sites . . . with adequate water and sanitation facilities" in the parks.

When the auto permit fees were cut in 1926, the Budget Bureau pressed for campground charges to offset the lost income. Mather and Cramton were united against such charges, believing that people would stay outside the developed campgrounds to avoid them.

Cramton inserted in the fiscal 1928 Interior appropriations bill a provision forbidding appropriations to any park collecting campground fees.

Horace Albright, who succeeded Mather as director in 1929, was more sympathetic to the idea. "That is a more equitable fee than the automobile fee, because if you come in a national park and you bring your own camp equipment, you pay $3 and go to these campgrounds where you have comfort stations and tables and water, and you can stay there all summer and enjoy yourself," he told the appropriations subcommittee in 1932. "Someone else might go to the hotel, not getting any use of the Government facilities except the road, but it would cost them just as much money." But the campground fee prohibition was legally perpetuated until 1965.

The tremendous expansion of the National Park System in the 1930s, when numerous historic sites and structures needing costly restoration and maintenance were acquired, increased the servicewide disparity between income and outgo. Although the old vision of a self-supporting park system was largely forgotten, most concerned members of Congress now agreed that park users should do more to share the cost.

New Visitor Fees

In 1935 President Franklin D. Roosevelt's Budget Bureau instructed the Service to develop a more broadly based visitor fee structure. Announcing new fees for more parks and services in 1939, Secretary Harold L. Ickes stated that "those who actually visit the national parks and monuments should make small contributions to their upkeep for the services those visitors receive which are not received by other citizens who do not visit the parks that are available to them, but who contribute to the support of these parks." Charges remained nominal, ranging from 10 cents at some historical areas to $3 at Yellowstone.

Following World War II, greatly increased visitation boosted revenues, but deteriorating park facilities, the addition of still more areas with low or no fees, and inflation further reduced their ratio to appropriations. Pressure from the House appropriations committee forced a fee increase in 1953, but the costly Mission 66 development program inaugurated three years later made for a still bigger deficit. "Does this seem fair, equitable, and wise, or should the visitors to the parks pay a larger proportion of the expenses—more than about 6 per cent in 1959?" historian John Ise asked at the end of the decade.

Land and Water Conservation Fund Act

In 1962 the Outdoor Recreation Resources Review Commission reported to the President and Congress on the nation's recreational needs. Its report inspired what would become the Land and Water Conservation Fund Act of 1965. Frequently amended, this act served thereafter as the basic fee collection authority for the National Park Service and other federal bureaus administering recreational lands.

Under the act, all proceeds from visitor fees collected by the bureaus, together with income from other specified sources, would go in a separate Treasury account for recreational land acquisition. The act authorized a $7 annual permit, the "Golden Eagle," good for all areas with entrance fees, lesser charges for visits to single areas, and user fees for developed facilities within areas, such as campgrounds.

Revenues under the act fell far short of estimates, causing its amendment in 1968 to add offshore oil and gas leasing receipts to the fund. Of the several fee collecting bureaus, only the National Park Service contributed enough to justify its participation. Even so, it did not begin to levy campground fees until 1970. Another amendment to the act that year raised the Golden Eagle permit to $10. A free Golden Age Passport for persons 62 and older was authorized in 1972.

Also beginning in 1972, visitor fee revenues no longer went to the Land and Water Conservation Fund but to a special Treasury account "for appropriation, without prejudice to appropriations from other sources for the same purposes, for any authorized outdoor recreation function of the agency by which the fees were collected. . . ." Although this arrangement was envisioned as an incentive to fee collection, in practice it would prove impossible to the Office of Management and Budget (OMB) and Congress to ignore the existence and level of fee receipts in recommending and making appropriations to the agencies from other sources. Rather than treating fee income as a bonus, OMB came to see it as a means of offsetting

the Service's budget requests and urged higher fees for just that purpose.

Corps of Engineers

The Corps of Engineers, which administered recreational facilities at certain reservoirs, was a reluctant partner in the interagency fee system. It succeeded in exempting itself from entrance fees in 1972, and the next year its friends in Congress prepared an amendment to earlier Corps legislation that would prohibit user fees in Corps areas for common day use facilities and for campgrounds without flush toilets, showers, and other specified amenities. As enacted, the provision amended the Land and Water Conservation Fund Act and thus applied to all federal recreation providers, including the Park Service. Few Service or other government campgrounds qualified for fee collection under the new law, forcing the agencies to drop their charges in the middle of the 1973 season. Congress corrected this unintended result in 1974 with yet another amendment requiring fewer amenities for campground charges.

Forest Service

Coincidentally, the Forest Service discontinued entrance fees at its national recreation areas, leaving the Park Service the sole bureau charging for entry. The Golden Eagle thus lost its interagency status, becoming a Park System permit only.

Visitor Fee Study

The National Park Service undertook a study of its visitor fee system in 1976-77. It found that in 1976, entrance and/or user fees had been levied at 116 units of the System (less than half the total) and had yielded $16.9 million: $9 million (53%) from entrance fees, $6.4 million (38%) from user fees, and $1.6 million (9%) from Golden Eagle sales. Of the 66 parks charging entrance fees, 10 collected two-thirds of the revenue; of the 77 charging user fees (mostly for camping), 10 collected three-fifths of the total. It was clear that entrance fees were more profitable than user fees and that a few areas—for the most part the large western parks—brought in a disproportionate share of revenues in both categories.

The latter factor made Service managers reluctant to adopt an incentive system, proposed by Interior officials, whereby parks collecting more fees would receive more in return. As the study report noted, fee receipts were not necessarily within a park's control; an incentive system might cause superintendents to overly stress collection, and the parks that received the most revenue were not always those most in need of more money.

Under heavy pressure from OMB, which slashed $12 million from the Service's fiscal 1980 budget request and advised it to raise the money itself, the Service planned more and higher fees to become effective that year. The additional revenues, forecast at more than 70 percent over the 1978 level, were to go for park mainten-

Admission to Yosemite National Park today is $3 per carload.

ance. Sen. Dale Bumpers and Rep. Philip Burton, chairmen of the Congressional subcommittees on parks, condemned the proposed increase.

Burton, an heir of Cramton in his philosophical opposition to fees, put through a bill freezing entrance fees at their January 1, 1979, levels and forbidding them where they did not then exist. Greater income from the most lucrative revenue source was thus sharply limited, leaving camping and other user fees the only means of significantly increasing the visitor's share of park costs.

The Service's fee collection program suffered a further blow in 1980, when Congress required all fee income to be deposited again in the Land and Water Conservation Fund. The effect was to virtually eliminate whatever financial incentive remained to park managers: their costs could no longer be reimbursed from their receipts, as they were under the special account, and their parks would benefit little or not at all from the proceeds.

The new administration of President Ronald Reagan was in full agreement with the outgoing Carter administration on visitor fees as a desirable way to offset general revenue appropriations for the parks and other federal recreation areas. It sought to regain the initiative with its "Recreation Fees and Improvements Act of 1982," a draft bill sent to Congress that February. Returning to an interagency approach, the bill would authorize all federal recreation providers to collect entrance fees, repeal most legal restrictions on collection, eliminate the $10 ceiling on the Golden Eagle, and enable each agency's revenues to be returned to a special account for its use. But a provision allowing agencies "to require an admission permit for the occupancy and use of Federal lands for hunting and fishing" caused such an outcry that the bill was hastily withdrawn.

The administration tried again in July with a bill titled "National Park System Fee Dedication and Park Improvement Act of 1982," a more modest proposal affecting only the Park System. The new bill would place the Service's fee receipts in a special appropriations account for "the repair, maintenance, and improvement of facilities, the provision of safety and services, and the restoration, protection, and preservation of natural and cultural resources, for the benefit and enjoyment of visitors to the National Park System." The freeze on entrance fees would be eliminated (but not the $10 ceiling on the Golden Eagle).

Congress did not act on the bill before adjournment. A similar bill was transmitted to the next Congress in March 1983, but as of mid-1984 its passage appeared unlikely.

Why the reluctance? A General Accounting Office study of park entrance fees in 1982 documented how long they were by historical standards and relative to those at comparable private attractions. It suggested that the fees be raised an average 150 percent, commensurate with a Golden Eagle increase to $25. It also noted some of the incidental benefits of entrance fee collection, such as the contact engendered between Service personnel and visitors.

But Congress was unpersuaded, apparently preferring to spread park costs among the public at large rather than risk offending park visitors by asking them to pick up more of the tab. Although park supporters favored the purposes for which the administration proposed to allocate fee revenues, they were well aware that higher fees were wanted to supplant, rather than supplement, normal appropriations. Under the circumstances, their support for such initiatives tended to be nominal at best.

A carload now pays $3 for admission to Yosemite, currently the highest entrance fee area in the National Park System. Considering that the maximum fee levied in 1926 was also $3 (at Yellowstone), the national parks must be among the biggest tourist bargains anywhere. Whether they should be quite such bargains remains a matter for debate.

Barry Mackintosh is bureau historian for the National Park Service. This article is condensed and updated from his 1983 study, Visitor Fees in the National Park System: A Legislative and Administrative History, *issued by the Service's History Division.*

Recreation User Fees—A Much Maligned Subject

by James E. Bossi

Crowded conditions are becoming commonplace in the national forests.

Discussions on recreation user fees are not new. There has been a continuing dialogue on this subject dating back to the early 1900's when fees were charged for automobile permits at a number of national parks. There was then a general feeling that the entire National Park System should be self-supporting. During Franklin D. Roosevelt's administration, fee collection was given heavy emphasis. Nearly all of the national parks and monuments required a fee in the early 40's.

The "fees and charges act" of 1951 stated that it was the sense of Congress that all Federal agencies should prescribe fees and charges which would make services rendered to special beneficiaries self-sustaining to the fullest extent possible.

Further support for fees and charges came from President John F. Kennedy, who advocated government-wide recreation fee collection. In his endorsement of the original Land and Water Conservation Fund legislation, he expressed the opinion, "It is reasonable and in the public interest that needed improvement and expansion of outdoor recreation opportunities be financed largely on a pay-as-you-go basis from the direct beneficiaries—the users of Federal recreation lands and waters."

With all of the seeming support for fees it seems like it would be easy to install a fee system. *NOT SO!* The legislative history of the Land and Water Conservation Fund Act reveals long, heated debates concerning the details of administering the policy of collecting fees. The "public" in general is very supportive of the user pay concept. However, when it comes to addressing specifics, it seems that "nobody likes to have their own oxes gored."

At the present time, there are 7 Federal agencies that charge recreation fees to some extent. The National Park System and the national recreation areas administered by the Forest Service are the only units where admission fees are authorized. Even there, the National Park System may not add additional fee-charging units or increase rates above the 1979 level. There are also many specific services and facilities which must be furnished at recreation sites prior to becoming eligible as charge sites under the law. Fees cannot be charged for use of picnic facilities or boat ramps for example. Potable water and road access, as well as other specific services must be provided at charge campgrounds. Also, the 1981 appropriations act contained language which eliminated the LWCF Act provision that fees collected would be available for appropriation back to the agencies which collected them.

Because of the present restrictions in the LWCF Act it is very difficult to design an efficient fee collection system at most national forest campground complexes.

Campers cannot be charged on a vehicle basis and centralized charge stations are extremely difficult to operate because of the restrictions on charging for certain types of facilities. If for no other reason, additional legislative authority is necessary if we are to design a fair, efficient fee system.

It has become increasingly expensive to provide the high quality public recreation areas and facilities which Americans expect. In fiscal year 1983, the cost of operating and maintaining the recreation resource on national forests totaled $167 million while fees generated only $27.8 million in revenues.

This $27.8 million included $11.3 million in use fees collected largely from campgrounds, and $16.5 million collected from recreation special uses such as ski resorts, and outfitters and guide activities. Use of recreation areas and facilities and the costs of providing them have grown at a greater rate than has the funding available for maintaining, refurbishing, and improving those areas and facilities. Current economic and budgetary realities limit our ability to meet recreation funding demands.

USDA Forest Service

Facility deterioration in the national forests has accelerated rapidly in recent years.

USDA Forest Service

The U.S. Forest Service relies heavily on volunteers to help provide services.

We are rapidly losing ground in the battle to keep facilities in the national forests operational. For many years, maintenance and rehabilitation of facilities necessary to protect the investment have been deferred while the limited funding available has been used for emergency measures just to keep the site open for public use. Most everyone recognizes that this "bailing wire" approach is short-sighted management. Over the past 5 years the deferred maintenance needs of national forest recreation facilities have increased from $133 million to $294 million.

The Forest Service has made every effort to stretch available funding as far as possible to keep sites open for public use. These efforts include innovations such as "pack-your-own-trash" programs and heavy reliance on volunteer assistance. However, the funding needs have continued to mount.

The Secretary of Agriculture has transmitted legislation to Congress which would expand the authority to charge for certain sites and facilities in the national forests and provide for the fee receipts to be returned for operation and maintenance of the recreation facilities. If this proposed legislation were enacted, the Forest Service could increase recreation receipts to $52 million. This would still fall far short of covering the estimated $167 million in recreation related costs, but would help immensely. The Forest Service is continuing to work with user groups to further develop an admission fee proposal.

One of the problems in gaining acceptance for admission fees to national forests is the connotation which the term "admission fee" carries. Most people think immediately that an admission fee for national forest lands is a fee required just for entering or setting foot on lands they already own. This is heavily resented, especially by users who live adjacent or near these lands and have always used them free of charge.

Actually the intent of the entrance fee is not merely to charge users to enter public lands, but to charge users for the services and facilities necessary to accommodate the use. In other words, the term "admission fee" as used by the Forest Service would entitle visitors to enjoy basic services and facilities necessary for their health and safety and protection of the resource.

These services and facilities are not necessarily tied to any one particular site. (A "user fee" is tied more directly to the use of a particular site or facility such as a campground or boat ramp.) Because it costs the managing agency to provide for these general forest environment recreation opportunities—sometimes referred to as dispersed opportunities—the dispersed user, as well as users of more highly developed sites and facilities, should help bear these management costs. The Land and Water Conservation Fund Act has led to confusion by placing admission fees, user fees, and permit fees into separate categories. Maybe we should forget the terms "user fees," "permit fees" and "admission fees" and talk in terms of a recreation "service" fee.

Service Fee

One consistent proposal made by user groups is that we should have one Federal approach toward recreation fees. Much discussion has centered around waiting for a new Outdoor Recreation Resources Review Commission (ORRRC) to examine the recreation fee issue and make recommendations. While Federal recreation fees should be consistent from one agency to another, we simply cannot wait any longer to get broad recreation fees off the ground. As mentioned earlier, there has been longstanding support and direction for recreation fees. The original ORRRC report in 1962 contained the following recommendation:

"Public agencies should adopt a system of user fees designed to re-

USDA Forest Service

The U.S. Forest Service has reduced services drastically in recent years.

capture at least a significant portion of the operation and maintenance costs of providing outdoor recreation activities that involve the exclusive use of a facility, or require special facilities." Now is the time to implement this recommendation as well as expand it.

If we don't do something *now*, we could go another 50 years and still be waiting to implement the "perfect" fee system. Ironically, the recreation user who is not paying fees may very well be the person who would suffer most.

There are some who think that outdoor recreation has always been free and should continue to be free. The fact is, recreation of any type is not and never has been free. As Derrick Crandall, President of the Outdoor Recreation Coalition, has stated: "There are no free lunches—and no free recreation either." Someone, somewhere does pay and pay plenty for outdoor recreation opportunities.

The question is how this payment should be made and by whom. As evidenced by the accelerated facility deterioration in the national forests, the adage "Pay me now, or pay me later" certainly applies to the recreation fee issue.

In designing a fee system, it is logical for the fees to be retained by or returned to the managing agency to provide services and facilities for which the fees were collected. There are many other provisions that any successful fee system must have, such as economic and administrative feasibility of collection, visitor benefits, and comparability of fee structure.

Fees must serve both public policy and interest.

After the broad concepts, objectives, and policy are articulated, the myriad nitty-gritty details must be addressed prior to implementing a fee system. Who if anyone should be exempted? How is the system to be administered and enforced? How does volunteerism coexist with fees? These are the issues that must be dealt with in any fee system.

The Forest Service is pursuing these issues with user groups at the present time with the objective of obtaining authority to implement an expanded fee program in the national forests. In addition to helping close the gap between recreation expenditures and receipts, thereby increasing the much needed recreation funding, the results should prove valuable to an ORRRC or any other means of putting together a Federal agency-wide approach toward recreation fees.

James E. Bossi is a Staff Specialist, Recreation Developed Sites, with the U.S.D.A. Forest Service.

How to Establish a Price For Park and Recreation Services

by John L. Crompton

The approach to establishing a price discussed in this article consists of three stages. These are illustrated in Figure 1. Stage 1 requires an agency to determine what proportion of the costs incurred in delivering a service should be recovered from direct pricing. Stage 2 recognizes that a service's price has to be perceived as reasonable by potential client groups or they will either refuse to pay and/or will vigorously protest through the political process. Using surveys to determine the going rate charged for similar services by other agencies and/or the commercial sector may lead to the cost-based price devised in Stage 1 being adjusted downwards to ensure that it is perceived as "reasonable." In Stage 3 the appropriateness of varying this price for some user groups or in specified contexts is considered.

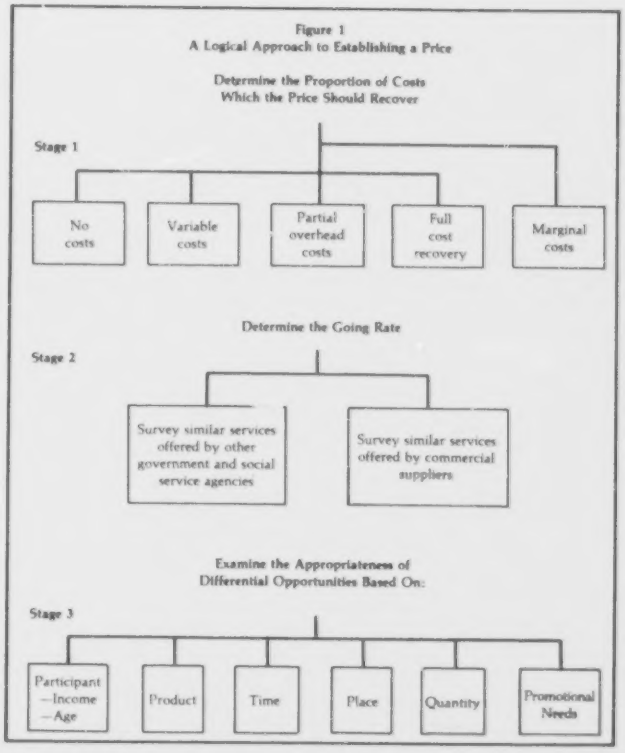


Figure 1
A Logical Approach to Establishing a Price

STAGE 1: Determine the Proportion of Costs Which the Price Should Recover

The Critical Role of Cost Accounting

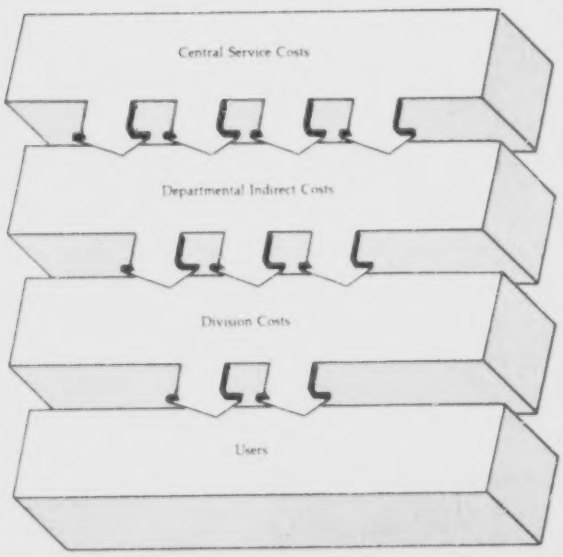
A determination of the proportion of costs which a price is intended to recover is predicated on the assumption that an agency knows the cost of delivering the service. Unfortunately, current accounting systems in many park and recreation agencies are not structured to capture and report cost data for each specific service delivered. They are designed only to provide expenditure information and appropriation control because their purpose has traditionally been to demonstrate compliance as opposed to providing information.

Typically, the cost of providing a service can be viewed as a series of layers.[1] Each layer represents a cost level that must be allocated to the levels beneath and adjacent which benefit from the service. Figure 2 illustrates this typical cost-flow pattern.

The first task in program cost determination is identifying and allocating central service costs to each benefitting department. Typical central service functions are executive administration, purchasing, accounting, personnel, data processing, motor pool, and budget.

After all central service costs have been allocated to the direct

Figure 2
A Typical Cost Flow Pattern



Adapted from Robert D. McRae, "The Cost Burden Study: A Method for Recovering Costs from Non-residents," *Governmental Finance*, March 1982, p. 10.

service departments, a framework should be developed for allocating the departmental indirect costs to the agency's operating divisions. Departmental indirect costs generally will be a combination of central service costs allocated to the department and the department's administrative support activities costs.

The final task requires that a comprehensive cost be developed for each service which is delivered. This method of cost accounting involves layering costs and then allocating the costs to successively lower echelons of the agency until a true service cost is developed. Cost information permits managers to present the citizenry with a clear statement of the diverse and perhaps substantial financial resources necessary to support each service delivered.

If there is resistance to a formal cost accounting system then cost finding, which is a less rigorous approach, may be adopted. Cost finding is a less formal method of cost estimation which uses available financial data, or finds costs from budget details, the budgetary accounting system, analysis of detailed transactions (such as payroll records, invoices and contracts) and interviews with staff.

These data are collected, assembled on worksheets and analyzed to determine individual service delivery costs.[2]

It is rare for an agency's accounting system to provide the complete cost information essential to intelligently determine an appropriate price. In most instances cost finding rather than cost accounting has to be used. This situation exists because in the past there was no incentive to develop an elaborate cost accounting system since prices were infrequent and nominal, tax supported budgets were expanding so no trade-off decisions between services were necessary, and the relative cost efficiency of alternative delivery methods such as contracting out was not a concern.

Increasingly in the future a cost accounting system is likely to be recognized as an essential management tool. Without such data opponents of pricing decisions can justifiably argue that they are arbitrary.

Public, Merit, and Private Services

Economists classify services into three categories: public, merit and private services. Much of the debate about whether or not user prices should be levied, and if so at what level, revolves around the classification of the service as one of these three types. The differences between these categories are summarized in Figure 3.

This classification provides the economic rationale upon which decisions about user pricing should be based. It assumes that the objective is to price each program or service at a level that is fair and equitable to both participants and non-participants. It helps the recreation and park manager determine which services lend themselves to monetary pricing, at what basis, on what level, and with what effects.

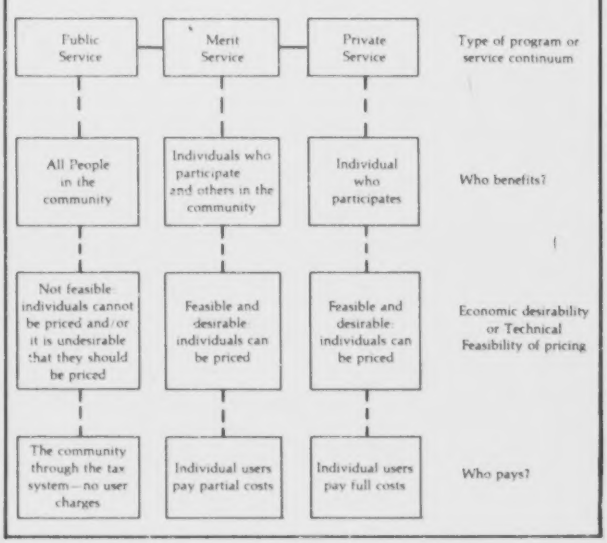
If a program exhibits the characteristics of a *private service*, its benefits are received exclusively by participating individuals rather than by the rest of the community. It is usually possible to exclude persons who are not willing to pay for the service. There are essential differences between public and private services, but *exclusion* is the key factor which differentiates them. A fence around a drive-in theater or park may be all that is required to convert a public service into a private service.

The case for financing a service through direct charges to the user is clear-cut when the services provided are perceived as private. When someone receives a direct benefit from government it seems only fair and logical that he or she should pay for it. If no benefits from such a service accrue to other citizens in a community, then it is reasonable to expect the users to pay all of the costs.

At the other end of the continuum (Figure 1), a *public* service, in its pure form, is equally available to all citizens in a community. Often this is because there are no feasible ways to excluding any individuals from enjoying the benefits of the service. Because individuals cannot be excluded, it is not possible to implement a user pricing system unless such a system relies upon voluntary payment. Unfortunately, when payment is voluntary, there are likely to be some individuals who become "free-riders" and take advantage of whatever is available without paying. To prevent this situation, public types of services are financed by compulsory payment through the taxation system.

Public urban parks are frequently cited as examples of services which exhibit public service characteristics, since they are used

Figure 3
Differences Between Services Establishing Public, Merit and Private Characteristics


Public Service
Merit Service
Private Service
Type of program or service continuum
All People in the community
Individuals who participate and others in the community
Individual who participates
Who benefits?
Not feasible: individuals cannot be priced and/or it is undesirable that they should be priced
Feasible and desirable: individuals can be priced
Feasible and desirable: individuals can be priced
Economic desirability or Technical Feasibility of pricing
The community through the tax system—no user charges
Individual users pay partial costs
Individual users pay full costs
Who pays?

by a large proportion of citizens. It may be argued, however, that there is no such thing as a pure public service since some citizens always benefit more than others. Those people living closer to the park, or those who pass it each day on their way to and from work, presumably gain more benefit from it than other citizens. Nevertheless, it is reasonable to assert that an urban park is more appropriately located towards the public-service end of the continuum shown in Figure 3.

Viewing public and private types of services as opposite poles of a continuum is helpful in understanding the essential differences between them, but many recreation and park services lie somewhere between the two poles. Such services are called *merit* services. Merit services have been defined in several ways but they are usually considered to be private services that have some public service characteristics. That is, part of the benefit is received by the individual consumer and part is received by the public in general.

Although it is possible to levy user prices for merit services, it is not reasonable to expect users to cover all costs because there are spill-over benefits which are received by the whole community. Users should be subsidized only to the extent that benefits to the whole community are perceived to occur.

Thus, it is sometimes argued that it may be undesirable to impose "reasonable" user charges even when it is technically possible to do so, if it means that certain people will be excluded. If faced with such a price, these individuals may choose to participate less in certain recreation and park services which may be considered a socially undesirable outcome. Similarly, it may be argued that certain recreation and park amenities improve the physical quality of the townscape or make it a more desirable place to live. For this reason, subsidizing such amenities may be reasonable since they increase the value of everyone's property.

Locating a Service on the Public-Private Continuum

An important point in understanding this public-merit-private classification is that the decisions as to where a service should be located along the continuum shown in Figure 3 are defined through political processes. Hence this position may ebb and flow with changes in the values of a community and it is likely that some services will be classified differently in different communities.

For example, a tennis facility in a high income neighborhood may be perceived as a private service from which only participants benefit. Hence all costs incurred should be covered by user prices. An identical tennis facility located in a low income neighborhood may be perceived as a pure public facility, or at least as a merit facility. In this case the whole community is seen to benefit from the provision of wholesome activity for its citizens; from improvement of the living environment which increases the value of all property; or from the psychological satisfaction of knowing that the less wealthy are provided with recreational opportunities which they could not otherwise afford.

Cost-Recovery Methods

Once an agency has apportioned the relative benefits which each service offers users and the whole community, and thus has classified each of its services as public, merit or private, it is in a position to consider the price which should be charged.

There are three approaches to establishing a price based on recovering some predetermined proportion of costs. These methods relate to the public-private services continuum. The conceptual relationship between positioning on this continuum and these three recovery methods is shown in Figure 4.

Full Cost Recovery

Full cost recovery is also termed average cost pricing. The price of a service is intended to produce sufficient revenue to cover all the fixed and variable costs associated with the service (these have been defined in the cost accounting system) and enable the break-even point to be reached. Figure 5 shows how to determine a price which is intended to recover full costs.

Full cost recovery is an appropriate strategy for those services perceived to exhibit the characteristics of private services which benefit only users and offer no external benefits to the general community. Many recreation and park agencies charge commercial users

of their facilities at the full cost recovery level. Examples would include the use of parks by circuses, group picnics, or for filming commercial advertisements; and the use of convention centers or halls for dances, pop concerts, or fund-raising dinners.

Efforts to implement a pricing policy which is intended to recover all or some predetermined proportion of costs have to contend with five major problems. First, as discussed earlier, it is difficult to systematically identify, classify, and equitably allocate the costs associated with each service.

Second, the price which is charged will only recover the costs anticipated if the projected number of service users is accurate. This may be relatively easy to estimate if historical records are available which show a consistent pattern of participation in a particular program over a period of years. However, if a new service is being introduced there may be considerable error in the participation projection. If the projection is high, and there are fewer users than expected, then the agency will receive much less revenue than it had anticipated when it established the price.

The third problem also relates to accurately projecting the number of service users. (This does not apply when the agency has a monopoly position in the market.) Prices based on recovery of a proportion of costs are determined not by market considerations but by the costs of providing the service. Thus, the prices charged by suppliers of similar services are ignored even though their lower price is likely to adversely impact the number of users of the agency's service. Cost based pricing assumes that client groups are willing and able to pay the proposed price. Particularly in situations where the price is intended to fully recover the costs of delivering a relatively discretionary service, it is likely that client groups may resist it. This may lead to minimum use of a service and consequent erosion of the agency's political support base.

Figure 4
The Relationship Between Type of Service and Cost Recovery Strategy

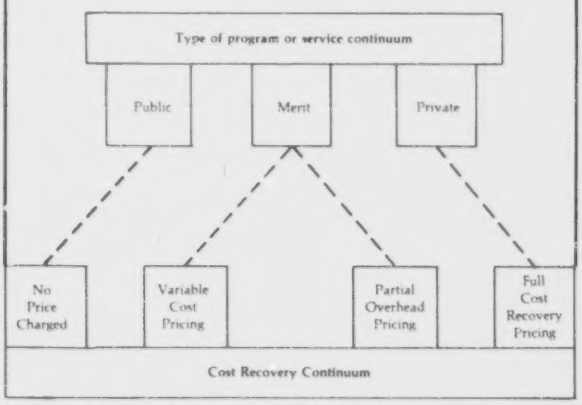


Figure 5
Pricing to Recover Full Costs

A price which is intended to recover full costs is determined by using the following formula:

Average Coste Price = Averaged Fixed Cost + Average Variable Cost

where:

Average Fixed Cost = Total Fixed Costs / Number of Users

Average Variable Cost = Total Variable Users / Number of Users

If: Total Fixed Costs	= $1000
Total Variable Costs	= $ 500
Projected Number of Users	100

Then: Price = 1000 /100 + 500 / 100

Thus: Price = $15

The fourth problem in using cost based pricing is that it may encourage inefficiency. There is a danger that little concern will be given to controlling costs or requiring efficient management since the costs are being directly passed on to users.

The fifth weakness of cost based pricing is that it may lead to an irrational price structure. Consider the implications of the following pricing strategy which was adopted by an agency which operated a camp facility.

> *The camp sought to recover all of its costs. Most of the costs were fixed, so the cost of operating the camp was about the same all year round. The prices charged were $80 per three-day weekend in the winter months and $40 per three-day weekend in the summer months. These prices reflected the much higher occupancy rate at the camp in the summer months which enabled the costs to be spread over more users. However, the price structure had the effect of persuading more people to come in the summer than in the winter. Hence, there were long waiting lists for the summer, but the camp had very low winter occupancy rates.*

Full cost recovery pricing is only appropriate for some services. Many services do not exhibit the characteristics of a pure private service because frequently people other than the individuals using the service receive *some* benefits from it. In these merit service situations an agency should seek to recover only partial overhead costs or variable costs.

Partial Overhead Cost Recovery

If the intent is to recover partial overhead costs, then a price is established which meets all direct operation and maintenance costs and some proportion of fixed costs. The remaining proportion of the fixed costs which it is intended to recover represents the tax subsidy given to the particular service. Figure 6 shows how to determine a price which is intended to recover partial overhead costs.

Conceptually, the proportion of fixed costs which should be subsidized is dependent upon the extent to which non-users benefit from a user utilizing a service. As the benefits which accrue to non-users increase, the proportion of fixed costs met by the subsidy should increase (Figure 4).

It is important to note that the anticipated per person subsidy is built into the formula. This is a very different approach to the frequent practice of assigning, say, a 20 percent overhead figure to direct operations and maintenance costs, because this latter approach does not indicate the extent to which individuals are subsidized. If it is decided that a service should be subsidized then the subsidy should be made explicit in the budget and built into the authority's financial control system. This is important because managers responsible for services should set performance targets based on costs, subsidies and targets.

Lack of attention to subsidies expressed on a per unit or per capita basis is likely to lead to substantial inefficiency in the allocation of resources and inequities in service delivery. Users of Service A may be receiving much larger subsidies

Figure 6
Pricing to Recover Partial Overhead C[illegible]

A price which is intended to recover partial overhead costs is determined by the following formula:

Partial Overhead Recovery Price = Average Fixed Cost + Average Variable - Average Subsidy

where:

Average Subsidy represents the amount to which each user is subsidized out of tax funds.

If: Average Fixed Cost	= $8
Average Variable Cost	= $4
Average Subsidy	= $3

Then: The Partial Overhead Recovery Price = $8 + $4 - $3

Thus, the service would be priced at $9

per capita than users of Service B, even though the price they pay is the same, because the costs of operating the two services are substantially different.

Variable Cost Recovery

If variable cost recovery pricing is used, the established price is equal to the average variable cost of providing a service. In this context, variable costs are used synonymously with direct operating and maintenance expenses. No attempt is made to contribute toward meeting fixed costs. Figure 7 shows how to determine a price which is intended to recover variable costs.

Because direct operating and maintenance expenses can be easily documented, there is a tendency to base price decisions upon them. This is a popular approach with many agency personnel because when fixed costs are omitted, a relatively low price can be charged and a larger client support constituency is likely to emerge. However, it is also argued that the facilities and amenities offered by recreation and park agencies add to the quality of life or to the "livability" of a community. There are benefits to some non-users from knowing that facilities exist (this "opportunity to acquire" is sometimes called "option demand"), and non-users should therefore pay the indirect fixed costs required to make these amenities and facilities available.

STAGE 2: Determine the Going Rate Price

At the end of Stage 1, a provisional price should be determined based upon the proportion of costs which it is expected to recover. However, pricing based on costs is not market-oriented because it assumes that service users will pay the suggested price. This may be a false assumption. Cost based pricing also ignores the impact which this price may have on other suppliers of the service. Stage 2 of the process for establishing a price is intended to ensure that the provisional cost based price is adjusted, if necessary, so it is responsive to the willingness and ability of users to pay and to the impact of the price on other suppliers (Figure 1).

Determining the going rate requires that a survey of prices charged by other suppliers of this service be undertaken. Usually this survey will be confined to other public recreation and park agencies, but in situations where a service is also offered by commercial suppliers they should be included in the price survey. For example, if a department offers campground services it should include private campgrounds in its going rate survey. The agency may then adjust its cost based price in order to ensure that the public campground opportunities do not impede the success of private campgrounds or reduce the range of campground opportunities available. If the public facility charges substantially lower than private suppliers it might be detrimental to these suppliers and may lead to congestion of the agency's own facilities.

Adjusting a price so it is consistent with the going rate has two major advantages. First, it may be argued that the going rate price range represents the collective wisdom of professionals and elected officials from other jurisdictions as to what constitutes a reasonable price. For this reason, a price within the range will probably avoid controversy and be regarded by most publics as "fair." For example, if the survey reveals that an agency's prices are lower than those charged by others for a similar service, then it provides strong justification to both user publics and elected representatives for an increase in price.

Some may argue that instead of reflecting the conventional wisdom of the field in price decisions, a survey of prices charged by others serves only to pool the field's collective ignorance! That is, few of the other jurisdictions have any rationale for the price they charge.

Figure 7
Pricing to Recover Variable Costs

A price which is intended to recover total variable costs is determined by the following formula:

Variable Cost Recovery Price = Total Variable Costs / Number of Participants

If: Total Variable Cost = $500
Projected Number of Participants = 100

Then: Variable Cost Recovery Price = $5

so using their prices as a guide in a pricing decision only compounds irrationality.

However, a major advantage accruing from comparing existing prices with those charged for similar services elsewhere is that it establishes the *range* of prices which are likely to be acceptable to users of a particular service. It is possible that services may not be exactly the same quality or serve identical types of client groups, but in most cases there are likely to be substantial similarities between services.

Determining the going rate forces an agency to address what potential client groups are willing to pay for a particular service. It is a misconception to believe that costs should necessarily determine price, for often the prices which an agency charges may be used to determine costs. For instance, if a craft program were being priced, an agency might first try to find out what prices it can reasonably expect its potential client groups to pay. When it has this information the agency works backwards from this figure to determine the nature of the materials, equipment and facilities which are suited to such a price.

The going rate price is not "the manager's impression" of what others are charging. It is found by formally surveying what is being charged elsewhere. It may be argued that if the provisional price based on recovery costs in Stage 1 is to be substantially adjusted so it is in accord with the going rate, then Stage 1 may be omitted. This would be a mistake. The going rate often bears little relation to the cost of provision. As a result, if Stage 1 were omitted, sound financial management would not be possible and substantial inequities between services might emerge as some would be more heavily subsidized than others. Without Stage 1 a jurisdiction would not be able to consciously trade off the opportunity cost of one service compared to another, and would not know whether it should price a service at the high or low end of the range of going rate prices.

STAGE 3: Examine the Appropriateness of Differential Pricing

At the end of Stage 2, the adjusted price is accepted as the average price which service users should be charged. However, Stage 3 recognizes that there are occasions when offering variations of this price to particular groups may achieve more equitable and efficient service delivery (Figure 1).

Examining the appropriateness of differential opportunities means that an agency considers charging a different price to different groups for the same service, even though there is no directly corresponding difference in the costs of providing the service to each of those groups. Such market oriented price adjustments assume that the market is segmentable and the segments show different price elasticities of demand. A fundamental requirement for an agency to be able to offer the same service at two or more prices is that it must not arouse resentment from a majority of clients, or else antipathy will be created and good will lost.

There are six criteria available for dividing a clientele into distinct user groups within which there may be differential pricing opportunities: participant category, product, place, time, quantity of use, and incentives to try. Although each is discussed separately, there are sometimes opportunities to use some of them together.

Price differentiation on the basis of *participant category* is usually related to a perception that some groups may find it difficult to pay a recommended price. Three groups are frequently identified as being less able to pay. They are children, senior citizens, and the economically disadvantaged. Differentials for each of these groups are widely used by recreation and park agencies, although the rationale for offering services at a reduced price to senior citizens has been challenged in recent years because of the elderly's substantially improved economic status.[3]

Differential pricing on the basis of *product* may be used to offer client groups extra levels of service, for example, in park maintenance, or by lighting sports facilities. The agency would provide a basic level of service at a designated price, but those clients who wanted a higher level could receive it by paying a higher price. The prices for these added services would be set to cover the incremental costs of providing them.

Pricing that differentiates on a *place* basis is commonly practiced at spectator events. For example, at a concert, theater or sports event a higher price is charged for front-row than for back-row seats.

The most common use of price differentials based on place relates to higher prices charged to non-residents. Such differentials are relatively easy to impose since non-residents are likely to have relatively little political influence outside their own jurisdiction. The rationale for such pricing is that residents frequently pay at least some of the costs associated with a service through their property taxes, while non-residents make no such payments. This rationale may not be appropriate if services are paid for from other tax sources, for example a sales tax. In this case, people living outside the community may legitimately argue that since they purchase a variety of goods from within the community, they have contributed their fair share of sales tax. Hence, there is no rationale for charging them more than residents for use of these services.

At the municipal level, the authority of agencies to impose differential prices based on residence varies between states. As a result, such agencies must be aware of relevant statutes and court decisions in their particular jurisdictions to determine their authority to impose a different price for non-residents.

If a service is being used to capacity, then a high differential price may be an effective method of discouraging non-resident use. However, if a service has spare capacity, then an agency may want to attract as many outside residents as possible who are willing to pay a price which is higher than the variable cost of servicing them. The revenue accruing from this price will make a contribution to fixed costs and so the service will require less subsidy from taxpayers.

The major problem in establishing differential prices for non-residents is implementation. In those situations in which a client has to show proof of residence each time a service is used, then the irritation of nuisance cost to local residents required to do this may offset any financial gain. This problem does not exist when proof of residence must only be established periodically. Most states, for example, charge substantially higher annual hunting and/or fishing license fees to non-residents than to residents. Proof of residence, in the form of a driver's license or similar document must only be provided by residents once each year.

In using differential prices on a *time* basis, lower prices are charged for services that are identical except with respect to time of use, in order to encourage fuller and more balanced utilization of capacity. The intent is to encourage use of services at off-peak times and to ration use during peak times.

Quantity discounts are deductions from the regular price that reflect economies of purchasing in large quantities. The most common form of quantity discount used by park and recreation agencies is the season or multi-use pass offered at facilities such as swimming pools, golf courses, and art complexes. Their use has been challenged as being inequitable in some recreation and park situations,[4] but in others their use may be an important part of overall marketing strategy. The basic purposes of a quantity discount are (1) to stimulate additional demand, and (2) to reduce the costs of meeting that level of demand. If these two conditions are not met, then an agency should reconsider its use of quantity discounts.

Price discounts can be used as an *incentive* to persuade people to try a service. New clients may be offered prices lower than those paid by established patrons in the hope of encouraging them to become regular users. It is important that such discounts be selective. Those receiving the discounts should recognize that they are for a limited duration or restricted to a particular set of circumstances, and that after a given time period or change of circumstances the regular price will be charged.

Concluding Comments

The systematic approach to deriving a price which has been presented here has to be tempered with a realization that there are two factors which may cause elected officials and potential client groups not always to respond positively to rational pricing decisions. First, a logically derived price may have to be adjusted to accommodate the psychological reactions of targeted client groups. Their reaction to price changes are often irrational stemming from historical perspectives, analogous experiences, self-interest, or emotion. These psychological dimensions have been addressed by the author elsewhere.[5]

A second qualifying factor is the prevailing political environment which surrounds any pricing decision. Pricing is one of the most technically difficult and politically sensitive areas in which recreation and park managers have to make decisions. Pricing decisions are influenced by a myriad of ideological, political, economic, and professional arguments. However, the debate which accompanies this diversity of perspectives should be focused upon sound principles.

The main failure of existing user price policies is that they have been designed solely or primarily to raise revenue. The prevailing approach is to raise all prices by some arbitrary percentage amount each year. There is little attempt to discover who is benefitting, who is paying, and the level of benefits and payments involved for each service. Even if incremental price increases are based on some acceptable criterion, they assume that the original price was appropriate. If the initial price was arbitrarily derived, then subsequent incremental increases are also likely to result in an arbitrary price.

The reasoned, rational approach discussed here will not always be immediately convincing to decision makers. However, the political and rational approaches to pricing are not mutually exclusive. The introduction of better information is not likely to lead to a diminishment of the elected official's vote—indeed, it should strengthen it. If a rational approach is not presented to elected officials, then it can only encourage continuation of irrational pricing and imply recognition of their determining those who pay and those who benefit according to whatever personal or arbitrary criteria they care to adopt.

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Revenue Management in the National Park Service

by Lynne Nakata

Revenue management in the National Park System is not new. Fee collection, for instance, actually predates the 1916 establishment of the National Park Service (NPS). Mount Rainier was collecting fees as early as 1908. By 1915, Sequoia/Kings Canyon, Crater Lake, Glacier, Yosemite, Mesa Verde, and Yellowstone/Grand Teton parks had followed suit.

When the National Park Service was established, Director Stephen Mather testified before Congress that park entrance fees and other revenues would eventually be sufficient to cover all National Park Service operation and maintenance costs. He believed Congress would only have to appropriate funds for acquisition of additional lands and construction projects.

It has become increasingly expensive and challenging to provide the high quality public recreation areas and facilities which most Americans have come to expect and deserve. In fiscal year 1983, the cost of operating and maintaining the national park system totaled $567.7 million. Recreation fees collected in 1983 (approximately $21 million) represent only 3.7 percent of the operating budget. Use of recreation areas and facilities and the costs of providing them have grown at a greater rate than the funding available for maintaining, refurbishing, and improving those areas and facilities.

Today, most users pay little more than their taxes for their use of national parks. A pass (Golden Eagle Passport) for admission to all the national parks with an entrance fee costs ten dollars for a carload of people for an entire

Richard Wilburn, NPS

Richard Wilburn, NPS

Charging a fee to visit a national cemetery, battlefield site, or significant historic site may be

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inappropriate given the commemorative nature of the park unit

year. This fee has not been adjusted for inflation since 1971. Campsites at some of the most scenic spots in America go for five to eight dollars a night. A commercial pack trip or wilderness school which receives hundreds of dollars in fees from each client may pay as little as fifteen cents per person per day for the use of the public lands which in fact make the trip itself possible and desirable.

To adjust for some of these inequities and to let fees rise to a fair level, the National Park Service in 1983 initiated a revenue management planning program in response to a Secretary of the Interior directive. The goal of revenue management planning is to "maximize the income to the service from users and donors, consistent with the recreational resource protection mission of individual NPS units."

The intent is to explore the range of services that might qualify for user fees, and to consider any changes in fees for existing services and any options for private sector support. Each park unit was asked to thoroughly assess and upgrade its revenue programs.

The parks submitted their proposed strategies in the form of revenue management plans. Some of the favored revenue enhancement strategies include:

- keeping camping fees comparable to prices charged at nearby private campgrounds
- pricing individual campsites to reflect their true value (e.g., it would cost more for an attractive

riverfront site than a hillside location)

- collecting fees for secondary, more specialized, and costly interpretive programs such as special guided tours
- increasing the cost effectiveness of fee collection by using an honor system particularly for campsites
- increasing commercial use license fees to reflect the cost to administer and monitor the commercial activity
- increasing entrance fee revenue by extending collection hours, collecting during the off-season, etc.
- centralizing fee collection, perhaps at the visitor center
- identifying new areas for appropriate user fees (e.g., pet impoundment fees, parking fees at special events, reservation fees, and charges for dump station use)
- extending campground stay limits when desirable
- selling park brochures
- increasing park entrance fees as well as the price of the Golden Eagle Passport through congressional legislation
- charging for backcountry use/camping
- charging for search and rescue activities and medical evacuations
- initiating special use fees for weddings on-site, various facility uses, organized events, etc.

A comparison of FY 1983 and FY 1982 recreation fee figures indicates a 19 percent increase in fee revenue. Much of this can be attributed to the newly established fees, fees raised to levels comparable to other service providers, and cost effective collection methods.

In addition to fee activities, the park revenue management plans also considered private sector contributions (e.g., donation boxes in the parks, gift catalogs, fundraising campaigns) as well as options for shifting costs from the federal government to user groups, nonprofit organizations, or concessioners/permittees through cooperative agreements. The plans submitted in 1983 reveal there are a number of revenue opportunities as well as cost effective ways to collect revenues that can be readily implemented by the park units. Since then, measurable strides have been made towards generating additional revenues and efficiently and equitably financing services to the public.

In addition, most revenue enhancement strategies make good management sense. Consider the following examples:

- By having fee collectors staff their park entrance stations, Sequoia and Kings Canyon National Parks (California) reduce illegal woodcutting and poaching and ensure that park visitors are kept abreast of visitor safety information.
- In 1983, Ozark National Scenic Riverways (Missouri) implemented a year-round honor system for campground fee collection. Revenues increased at Ozark 25.5 percent despite a 20 percent drop in campground use over the previous year. Staff are enthusiastic about the system, particularly since it freed six ranger positions for other activities.
- Capitol Reef National Park (Utah) also switched to an honor system for campground fees. A campground host stays on-site, answering questions and directing campers to self-register and pay the fee. It's estimated that the honor system in conjunction with the volunteer campground host will save the park $5,000 to $7,000 over the season.
- Boston National Historical Park (Massachusetts) charges for use of training and function rooms when the use is not directly related to the park mission. In just over six months, the fee schedule generated more than $2,000 to cover expenses and an account was established for rehabilitation needs of these facilities.
- Donation boxes have been well received by both the public and park managers. Over 60 National Park Service units now have donation boxes set up to which visitors can freely contribute. Donation box receipts can be earmarked for specific park programs.

The goal is not to recover all the costs associated with special activities, programs, or services at every park. That's unrealistic since fees and charges would rarely cover the full cost of providing public services. The compelling reason why NPS should increase entrance and user fees is equity, to shift a reasonable share of the cost of financing park operations from the general taxpayer to park users.

The National Park Service's revenue management program should be fair to the user and non-user alike, cost effective, and true to the mission of the Service. For instance, charging a fee to visit a national cemetery, battlefield site, or significant historic site (e.g., Independence Hall) may be inappropriate given the commemorative nature of the park unit. Those parks serving large numbers of low income users must evaluate revenue initiatives carefully to minimize discriminatory impacts. At other parks, the cost of collection (capital outlays, personnel costs, etc.) may simply exceed potential revenues. Our fee criteria must be flexible and take into account the park's user profiles and management concerns.

The emphasis for an ongoing revenue management planning program is in line with both general taxpayer and user support for an equitable fee program. The public in general is very supportive of the user pay concept. And a study conducted by the Economics Research Associates found that park visitors generally accepted user fees as a reasonable and appropriate method for paying for park and recreation services.

The trend toward user fees and charges does not end reliance on general fund appropriations as the primary source of budget. Appropriations will always be the mainstay of the national park system as with most public services. That's because practically everyone receives some benefits from public parks and wildlands. But financing the ongoing operation and maintenance of that system is a different matter. And it has long been public policy, as expressed by both Congress and the executive branch, to charge the special user more than the taxpayer at large for the special privileges received.

Federal regulations state that "when a service provides special benefits to an identifiable recipient above and beyond those which accrue to the public at large, a charge should be imposed to recover the full cost to the federal government of rendering that service." (See Office of Management and Budget Circular No. A-25 on User Charges, September 1959.)

The Land and Water Conservation Fund Act of 1965 (as amended) gives the Secretary of the Interior the authority to designate outdoor recreation areas at which entrance and user fees could be charged.

The National Park Service has a commitment and responsibility to uphold these mandates. There are those who think that outdoor recreation has always been free and should continue to be free. The fact is recreation opportunities have never been free. No one wants to price anyone out of the national park system but neither do we want to unduly burden those who never visit these areas, either for economic or other reasons, with all the costs of making these areas and their services available. An equitable balance between taxpayer and user support is the goal.

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Fees May Have Adverse Impact on Recreational Use Immunity

by James C. Kozlowski, J.D.

The most significant developments in public recreation law appear to be in the area of personal injury liability. All but a few jurisdictions have abolished the common law doctrine of sovereign immunity. Consequently, persons injured on public recreational facilities are now able to bring negligence suits against governmental entities under the various state tort claims acts. These statutes are modeled after the Federal Tort Claims Act which permits negligence suits against the United States, including actions for personal injuries at recreational facilities and sites. These tort claims acts allow units of the federal, state, and local government to be liable for specified torts, including negligence, like a private individual.

Concurrent with the abolition of absolute immunity for government entities, approximately 43 jurisdictions have enacted recreational use statutes during the past two decades. Under these statutes, the landowner owes the recreational user no duty of care to warn against a hazard on the premises. Further, there is no implied assurance that the premises are safe for recreational use. The immunity provided by these statutes, however, is lost if *a fee is charged* or some other consideration is paid to the landowner. In addition, the landowner would remain liable for injuries attributable to his or her willful, reckless, or malicious failure to guard or warn against a known hazard on the premises.

The applicability of these landowner liability statutes to state, local, and federal agencies is perhaps the most volatile issue in public recreation law. As stated above, public entities are liable for personal injuries like a private individual under the various tort claims acts. Some courts have, therefore, extended recreational use immunity available to governmental units on an equal basis with private landowners. On the other hand, some courts have denied recreational use immunity to public entities. In these decisions, the courts have narrowly construed the legislative intent of the statutes to encouraging *private* landowners to allow public recreational use.

Fred Bell, NPS

Persons injured on public recreational facilities are now able to bring negligence suits against governmental entities under the Federal or state tort claims acts.

Where recreational use statutes have been applied to governmental entities, the effect of fees and charges on landowner immunity is oftentimes at issue. The following paragraphs describe a recent recreation-related personal injury decision where the nature of a fee or charge was an important factor in determining liability. This case report was contained in Volume I, Number 2 of the *Recreation and Parks Law Reporter (RPLR)*. (*RPLR* is a quarterly subscription service of the National Recreation and Park Association. *RPLR* presents recently reported recreation-related personal injury court decisions. Subscription rates are $45/yr. for NRPA members ($90/yr. non-members). Make checks payable to "NRPA Law Reporter" and forward to: NRPA Membership, 3101 Park Center Drive, Alexandria, Virginia 22302.)

RPLR Report #84-19: Nevada Landowner Liability Defense for Flash Flood in NRA

In the case of *Ducey v. United*

States 713 F.2d 504 (1983), three plaintiffs brought wrongful death actions against the United States under the Federal Tort Claims Act (FTCA) after their spouses drowned in a 1974 flash flood at the Lake Mead National Recreation Area in Nevada. The plaintiffs argued that employees of the National Park Service (NPS) and an NPS concessionaire had breached the duty of care owed to their spouses "to warn of or guard against the flood." The NPS provided a ranger station, boat launching ramp, and comfort station at the site, but did not charge entrance fees or user fees for these facilities.

The NPS concessionaire, Eldorado Canyon Resorts, Inc. (ECR), maintained and operated revenue facilities at the area including a cafe-store, boat slips, automobile fueling and boat service facilities, rental cabins and trailer spaces. Under a contract with the NPS, ECR was required to pay the United States 1-3/4% of the gross receipts from these facilities. In addition to purchases at the ECR store, plaintiffs' spouses had paid rental fees to the concessionaire for boat slips and trailer space.

The trial court found the United States immune from liability under the Nevada recreational use statute. In pertinent part, this state landowner liability statute, Nev. Rev. Stat. 41.510 (1973), provided as follows:

> *An owner, lessee or occupant of premises owes no duty to keep the premises safe for entry or use by others for hunting, fishing, trapping, camping, hiking, sightseeing, or for any other recreational purposes, or to give warning of any hazardous condition, activity or use of any structure on such premises to persons entering for such purposes . . . This section does not limit the liability which would otherwise exist for: (a) Willful or malicious failure to guard, or to warn against, a dangerous condition, use, structure or activity; (b) Injury suffered in any case where permission to hunt, fish, trap, camp, hike, sightsee, or to participate in other recreational activity, was* **granted for a consideration . . . paid to the landowner . . .**

On appeal, plaintiffs argued that the trial court had erred in extending the immunity of the state landowner liability statute to the United States. As applied by the trial court, "the consideration exception to the Nevada recreational use statute . . . [was] inapplicable on the ground that the various forms of 'consideration' allegedly tendered . . . money for store purchases, moorage fees, and trailer rental fees were tendered not to the United States but to [the concessioner] ECR and that money paid to the concessioner is not payment to the Government." The United States had argued the consideration exception under the Nevada recreational use statute was inapplicable because no fees were received "in return for permission to participate in recreational activities." In the opinion of the United States, the consideration exception was applicable "only where a fee is specifically charged for permission to enter."

The appeals court agreed with plaintiffs and rejected the narrow reading of the consideration exception espoused by the United States and adopted by the trial court. In the opinion of the appeals court, the statutory language supported a broad application of the consideration exception to the Nevada recreational use statute.

> *[T]he language of the consideration exception itself suggests a broad reading of [this] section. . . . The exception is worded not in narrow terms of "fee" or "charge," but rather in the far more encompassing terms, "for a consideration." "Consideration" is a term of art, a word with a well-understood meaning in the law, embracing any "right, interest, profit or benefit." Used in a statute, it should be accorded that meaning . . . The statutory exception, then is itself literally applicable to situations well beyond those involving a strict charging of a "fee" for "permission" to recreate. Since the recreational use statute is in derogation of common law rules of tort liability, we take care to avoid an overbroad interpretation of the statute that would afford immunity that was not intended . . . Consequently,* **exceptions** *to the statute, including the consideration exception, must be given the broadest reading that is within the fair intendment of the language used.*

According to the appeals court, "the public policy underlying the adoption of a consideration exception to the Nevada recreational use statute is to retain tort liability in actions where the use of the land for recreational purposes is granted not gratuitously but in return for economic benefit." In the opinion of the appeals court, limiting the consideration exception of the statute "solely to direct payments of entrance fees or charges would extend the immunity of the statute beyond those persons whom the statutory policy would protect."

> *Since the potential for profit alone is sufficient to encourage those owners who wish to make commercial use of their recreational lands to open them to the public, the further stimulus of tort immunity is both unnecessary and improper. Furthermore, where a landowner derives an economic benefit from allowing others to use his land for recreational purposes, the landowner is in a position to post warnings, supervise activities, and otherwise seek to prevent injuries. Such a landowner also has the ability to purchase liability insurance or to self-insure, thereby spreading the cost of accidents over all users of the land. An ability to spread risks exists regardless of whether the economic benefit the landowner derives is in the form of direct entrance fees or in the form of revenues from a connected economic enterprise.*

William A. Bake NPS

Concessionaires often operate revenue facilities such as boat slips in public recreational areas

As a result, the appeals court concluded that the consideration tendered here by the Users [plaintiffs' spouses] was in return for permission to participate in recreational activities in Eldorado Canyon in the sense of [the consideration exception] subsection . . . [to the Nevada recreational use statute]." According to the appeals court, the "consideration must be tendered directly or indirectly to a person who has the power to grant or deny permission to participate in recreational activities." In this case, "the concession agreement did not give ECR the power to deny permission to recreate in Eldorado Canyon." The appeals court, therefore, concluded that "consideration was tendered, directly or indirectly, to the United States in return for the permission to recreate in Eldorado Canyon."

Under the facts of this case, the appeals court, therefore, concluded landowner immunity pursuant to the Nevada recreational use statute was not available to the United States. The appeals court, however, limited the application of the consideration exception to the facilities operated by the concessionaire, not the entire national recreation area. "By holding the consideration exception applicable on the facts of this case, we do not imply that the exception applies to a broader geographic area than that over which the concessionaire has the explicit or implicit power to grant or deny permission to recreate."

Absent the immunity provided by the state landowner liability statute, the United States argued that immunity was available under the discretionary function exception to the Federal Tort Claims Act. In pertinent part, this section

Richard Frear, NPS

Charging a fee increases the likelihood that a landowner can be held liable for hazards on the premises.

of the Act provides:

> *[Liability of the United States for negligence based upon the Federal Tort Claims Act] shall not apply to . . . any claim . . . based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a federal agency or an employee of the Government, whether or not the discretion involved be abused.*

According to the United States, "the allegedly negligent acts or omissions of NPS employees upon which plaintiff's claims are based constitute the exercise of a 'discretionary' function or duty on the part of a federal employee." Consequently, the United States maintained that the Federal Tort Claims Act would not provide plaintiffs with a cause of action.

As described by the appeals court, the discretionary function exception to the Federal Tort Claims Act "turns on whether the act or omission occurred on the 'planning' level of governmental activity or on the 'operational' level." Planning functions would be immune from liability; operational decisions would not be immune. In other words, the deciding is immune; the doing is not.

In determining whether a particular governmental activity is an immune discretionary function or an operational decision subject to liability, the appeals court also considered "the ability of the judiciary to evaluate the act or omission and whether judicial evaluation would impair the effective administration of the government." Under the facts of this case, the appeals court found the government's alleged failure to guard or warn may have been an operational activity subject to liability.

> *While the government's decision to encourage recreation at Eldorado Canyon is the exercise of a discretionary function, the government's duty to warn or guard against hazards resulting from that decision may nonetheless be actionable. . . . The judgment and decision-making involved in day-to-day management of a recreational area are not the sort of decision-making contemplated by the [discretionary function] exemption.*

In this particular instance, the trial court had not considered the applicability of the discretionary function exception to the Federal Tort Claims Act. As a result, the appeals court remanded the case to the trial court to consider this issue. "On remand, the trial court must examine the alleged facts of commission and omission alleged (among them, the failure to post signs warning of the possibility of flood, the failure to repair or remove the earthen dam at one end of the canyon, and the failure to institute flood evacuation procedures) to determine whether, on the facts of this case, they fall within or without the discretionary function exemption." If the trial court found the discretionary function exemption inapplicable, the appeals court further directed the trial court to consider "the issue of liability of the United States for acts and omissions of NPS employees under Nevada tort law."

The appeals court agreed with the trial court that the United States could not be held liable under the Federal Tort Claims Act for the alleged negligence of the concessionaire and its employees. The Federal Tort Claims Act provides liability for the negligence of "agents" of the United States. According to the appeals court, "the United States is not liable under the FTCA for the negligence of its independent contractors."

Given the facts of this case, the appeals court concluded that "the trial court did not err in finding that [the concessionaire] ECR was an independent contractor."

> *[I]n the absence of the authority of federal employees to supervise the day-to-day operations of a contractor, the mere ability of the government to compel compliance with federal standards is not sufficient to create an agency relationship. While by contract the federal government may fix specific and precise conditions to implement federal objectives, such restrictions required by regulation do not convert the acts of entrepreneurs into federal governmental acts. . . . [Applying these principles to the NPS concessionaire contract with ECR] the contractual provisions themselves, while restricting the operations of ECR to some degree, do not give the NPS authority to regulate the detailed physical performance of conducting a recreational facility in Eldorado Canyon. Instead, they leave the concessioner in large part free to select the means of implementing the contractual requirements. . . . The degree of federal authority to supervise and control the day-to-day operations of ECR that is required . . . is simply lacking.*

The appeals court, therefore, affirmed the judgment of the trial court that the United States could not be held liable for the alleged negligence of ECR's employees because the concessionaire was an independent contractor. Nevertheless, the appeals court, with one judge dissenting, reversed the summary judgment in favor of the United States and remanded the case to the trial court to consider the alleged negligence of NPS employees under the FTCA and Nevada Law.

Mr. Kozlowski is an attorney and legal affairs consultant to the National Recreation and Park Association. He is the author of the Recreation and Parks Law Reporter.

Recreational Use Fees on Public Lands Administered by the Bureau of Land Management

by Bruce R. Brown

Outdoor recreation use, both in frequency and type, is rapidly increasing on the public lands administered by the Bureau of Land Management (BLM). The need for more efficient and cost-effective management of this increasing demand has resulted in new recreation program policy changes and special use fees. This article will look at BLM's new role in providing recreation opportunities, review the special recreation permit policy and fee schedules adopted in 1984, and discuss future challenges facing the permit program.

The BLM is a bureau in the Department of the Interior responsible for multiple use management of more than 300 million acres of federally-owned lands and waters. The vast majority of these lands and waters, located in the western states and Alaska, are open to the public to enjoy individual recreational pursuits. Although not as well known as the National Park Service or the U.S. Forest Service, the BLM is rapidly growing as a major provider of outdoor recreational opportunities. While visitation to national parks and national forests has increased moderately in recent years, use of BLM lands and waters has increased from 68 million visitor hours in 1980 to 59c million visitor hours in 1983.

With passage of the Federal Land Policy and Management Act of 1976, Congress made clear its intent that the public lands generally be retained in Federal ownership and be managed on the basis of multiple use and sustained yield. Outdoor recreation is listed in that law as one of the multiple

Entrance sign to fee campground area.

uses of these lands. In addition to traditional uses such as camping, hunting, picnicking, and hiking, BLM lands and waters are being used for special activities like off-road vehicle events, floatboating on whitewater rivers, sandsurfing, rockclimbing, black powder shoots, helicopter skiing, caving and outfitted hunting and fishing trips.

The BLM's primary recreation objective is to provide opportunities for dispersed types of outdoor recreation activities which require only minimal investments in management and facilities. These opportunities are available on the majority of the public lands.

Special, more intensive recreation management is provided in both developed and undeveloped areas when required to maintain facilities or management investments, promote visitor safety, minimize resource damage and/or reduce user conflicts. The increasing use of these intensive recreation management areas has caused a sharp rise in costs for administration and maintenance of these areas, requiring BLM to review its fee policy.

New Fee Policy Adopted

Historically, fees have been charged at some of BLM's intensive use areas as a means to recover costs. With the fee schedule in effect prior to 1984, management costs were more than triple fees collected. Guided by the Administration's policy of the benefiting user paying more of a fair share, BLM recently issued new guidance on recreation use fees.

Recreation use fees are charged at both developed and undevel-

oped sites as authorized by the Federal Land Policy and Management Act and the Land and Water Conservation Fund Act of 1965. The BLM's intent is to recover administrative costs, and in the case of commercial and competitive use to recover a fair return for the use of public lands. Criteria for determining when fees are charged and how much to charge differ between developed and undeveloped sites.

Developed Sites

Major recreation facilities are developed, operated and maintained when they are important to the management of public lands and are generally unavailable from other governmental agencies or private entities in the local area. The BLM manages approximately 32 developed campgrounds with a total one-time capacity of 5,070 people. Campsite fees collected in 1983 totaled $88,000. The criteria for determining when and how much to charge are set out in Federal regulations and are similar to those of other Interior Department agencies. At least one of the following investment criteria must be satisfied:

1. A substantial Federal investment has been made in the facility;
2. The facility requires regular maintenance;
3. The facility is characterized by the regular presence of BLM personnel; or
4. The facility is utilized for the personal benefit of the user for a fixed period of time.

Bureau of Land Management

Developed campground for which a fee is charged.

In addition, all of the following management criteria must be satisfied:

1. The facility is administered by BLM;
2. The facility is provided at Federal expense; and
3. The nature of the facility is such that fee collection is administratively and economically practical.

Before BLM can charge user fees at a developed site, all of the following facilities and services must be present: 1. tent or trailer spaces; 2. drinking water; 3. access road; 4. refuse container; 5. toilet facilities; 6. personal fee collection; 7. reasonable visitor protection; and 8. simple devices for containing a campfire.

Actual fees charged for campsites vary. They are intended to be comparable to charges at other Federal and non-Federal public facilities within the service area of the designated fee site. Recreation sites designated for collection of use fees are posted with an official "U.S. Fee Area" sign. Those persons having a valid Golden Age or Golden Access Passport are entitled to a 50 percent discount on user fees. Golden Eagle Passports do not apply to BLM lands because the bureau does not charge entrance or admission fees.

Undeveloped Sites

In addition to developed sites, use fees may be charged at certain undeveloped sites. These fees are for special recreation permits issued as a means to protect resource values, control user conflicts, and promote visitor safety. Permits may be required for individual use in certain areas and for competitive or commercial recreational uses of public lands or waters. In 1983 BLM issued several thousand special recreation permits in 135 management units and collected $507,000 in fees.

The amount charged for a special recreation permit differs for individual, competitive and commercial uses of undeveloped areas. All fees are to be fair and equitable, taking into consideration the direct and indirect cost to the government; the benefits to the recipient; the public policy or interest served; the comparable recreation fees charged by non-Federal public agencies; the economic and administrative feasibility of fee collection; and other pertinent factors.

Individual Permit Fees

Permits for individual use are limited to a few areas where the maximum allowable use has been reached (as determined by the area management plan) and use must be controlled to meet the areas' adopted recreation management objectives. Applicable management objectives may include: limiting encounters with other users (such as on a wild river or in a wilderness area); reducing destructive impacts of commonly used areas (such as launchsites or campsites); or maintaining conditions conducive to minimizing user conflicts and promoting safe operations (such as reducing backups at dangerous rapids).

Most of these areas requiring individual permits are popular stretches of whitewater rivers receiving heavy use. Fees are charged only to recover the costs of issuing and administering the permit, not for the activity itself or any value derived therefrom. Phasing in over a 3-year period, fees for individual permits are $.50/user day in 1984, and will be $1/user day in 1985 and $1.50/user day in 1986. These individual permits are issued either on a first-come, first-served basis or by a lottery system.

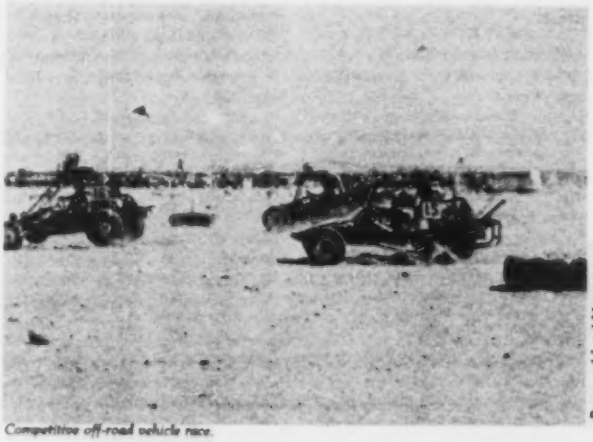
Competitive Permit Fees

Competitive use of public lands primarily consists of off-road vehicle events. Permits are issued to ensure protection of environmental resources. The high costs of preparing the required environmental analysis and extensive monitoring efforts are a significant factor in determining fees. The fees for a competitive use permit, phasing in over a 3-year period are:

1984—$1.35/user day or 3 percent of gross receipts, whichever is greater.

1985—$1.65/user day or 3 percent of gross receipts, whichever is greater.

1986—$2.00/user day or 3 percent of gross receipts, whichever is greater.



Bureau of Land Management

Competitive off-road vehicle race.

Commercial Permit Fees

Permits are also issued for commercial recreational uses of public lands and waters to accommodate the demand for special services and facility-dependent types of activities which are best provided by the private sector. The public lands, with a diversity of landscape types, can readily accommodate a variety of commercial uses. The most popular are outfitting and guiding the public on whitewater float trips and hunting and fishing trips.

The fee schedule was designed to recover the costs of issuing and monitoring the permits and to provide a return for the privilege of using Federal resources for commercial purposes. It is based on the amount the commercial permittees charge their clients adjusted to allow deductions for certain off-site transportation and lodging expenses.

Phasing in over a 3-year period, the fees for a commercial use permit are:

Adjusted daily charge collected by permittee from each participant	Fee per user day		
	February 10, 1984	January 1, 1985	January 1, 1986
$ 8.00 or less	$ .25	$ .25	$ .25
8.01 to 20.00	.30	.35	.40
20.01 to 35.00	.45	.60	.80
35.01 to 50.00	.60	.95	1.30
50.01 to 75.00	.80	1.35	1.90
75.01 to 100.00	1.05	1.80	2.60
100.01 to 125.00	1.30	2.35	3.40
125.01 to 150.00	1.50	2.80	4.10
150.01 to 175.00	1.80	3.30	4.90
175.01 to 200.00	2.00	3.80	5.60
200.01 to 250.00	2.40	4.55	6.75
250.01 to 300.00	2.90	5.55	825
Over $300.00	(1)	(2)	(3)

(1) 1 percent of adjusted daily charge per participant
(2) 2 percent of adjusted daily charge per participant
(3) 3 percent of adjusted daily charge per participant

In addition to the return to the Fed ral Government from commercial permittees, the outfitting and guiding industry generates significant revenue to local economies. For example, a 1980 study done in Teton County, Wyoming, showed the outfitted hunter spent an average of $150 per day, generating $2.4 million for the year. Another 1980 study in Colorado showed the total economic impact of whitewater boating was estimated to be $22.7 million. Commercial river trip passengers contributed the majority of this amount.

Special Fee Provisions

All fees for recreational uses must be paid in advance and are nonrefundable. The exception is when cancellation is made in sufficient time to issue the permit to others. Also, permits may be required, but fees are not charged, for uses primarily educational or scientific in nature. Documentation of academic accreditation may be required.

In some particular cases the fee schedule may be adjusted to accommodate joint management agreements with other agencies. When joint permits are issued, one fee will be charged and revenues split accordingly between agencies. For example, the Rogue Wild and Scenic River in Oregon is jointly managed by the BLM and the Forest Service. BLM issues all commercial permits and the Forest Service issues all private permits. The total revenues are shared by both agencies.

Challenges for the Future

During the development of and subsequent to the adoption of the special recreation permit policy and fees on February 10, 1984, there have been considerable comments on the subject of recreation use fees. As could be expected, there was a resistance to fee increases. However, the public seems to have accepted their responsibility as beneficial users paying for special privileges and services. A common concern voiced among all types of users is that fees should be returned to the area where the fees were collected.

Since fiscal year 1981, all fees collected for recreational uses on the public lands are deposited in the Land and Water Conservation Fund (LWCF) to be available for appropriation for any purposes authorized by the LWCF without regard to the source of the revenues. Prior to fiscal year 1981, the fees were deposited in a special account separate from the LWCF to be appropriated, without

prejudice to other appropriations for any authorized outdoor recreation function of BLM. Now revenues cannot be earmarked to support the activities that generated them.

As the demand for special activities continues to increase, more areas will reach their maximum allowable capacity, requiring more direct allocation and rationing of use. Noncommercial, individual use seems to be increasing at a faster rate than commercial, outfitted use. Decisions will be made on who gets the privileged use, initiating some type of reservation system requiring permits and fees.

When commercial use becomes limited, we could expect to see some changes in the prices charged to clients reflecting a greater value of the limited use. To make this allocation process more efficient, we are automating our reservation systems and revising our permit application forms. An interagency reservation system may be well worth exploring.

Another challenge is to meet the intent of the Land and Water Conservation Fund Act which says that comparable fees should be charged by the several Federal agencies for comparable services and facilities. In some cases not all Federal agencies are authorized to charge for the same types of services and facilities. By law, entrance fees may only be charged at certain National Park System areas administered by the Department of the Interior and national recreation areas administered by the Department of Agriculture. However, other recreation user and permit fees differ only because of established policy or past practices of the various agencies. Attempts have been made to unify fee policies. During the development of BLM's special recreation permit policy, the fee schedule for commercial use was closely coordinated with the Forest Service. Both bureaus adopted the same schedule. Similar efforts need to be done for other recreation fees.

Multiple ownership and joint management responsibilities also present challenging issues. Some areas may best be managed as a unit, but could contain property owned by several entities. Access, fees, and enforcement are some of the issues which must be resolved. For example, several State governments have established licensing boards to issue and administer outfitting and guiding licenses. In addition to determining who gets a license, some states even delineate an outfitters area of operation which may contain Federal lands. The suitability of Federal lands for this purpose and any requirements for authorization and conditions of use should be coordinated with Federal land managing agencies.

During this first year of implementing the special recreation permit policy, the BLM is evaluating field experiences and alternative approaches. Our goal is to consistently apply the policy and fees across BLM lands and be as consistent as possible with other Federal land managing agencies. In subsequent years, we will review the fee policy and make necessary adjustments within applicable policy and laws. Meanwhile, the agency is exploring ways to manage special recreation areas more efficiently to reduce costs to the general public. Cooperative agreements are being developed with state and local governments and private interest groups to assist in management and operational responsibilities. Volunteers are being used to assist in issuing permits, constructing and maintaining trails, acting as campground hosts, and providing informational services to visitors. A donation program similar to the National Park Service's "Gift Catalog," whereby facilities and/or services may be donated, is also being explored.

The whole planning and decision process is open and dynamic, and BLM constantly seeks public involvement. One apparent beneficial result of the new special recreation permit policy is that it has strengthened the common bonds among all recreational user groups and broadened participation. New groups have formed and existing ones expanded. Common goals were discovered and communications among the user groups and Federal managing agencies increased significantly. We hope this continues as we all face new challenges requiring cooperative management solutions to protect our public land resources and provide for enjoyable outdoor recreation experiences.

Bruce R. Brown is on the BLM's Headquarters Office staff, Division of Recreation, Cultural, and Wilderness Resources, and is the principal author of BLM's special recreation permit policy.

Minimizing the Impact of Fees on Low Income Users

by Heather Fargo and Lynne Nakata

M. Woodridge Williams, NPS

The NPS does not charge entrance fees at urban National Recreation Areas.

With the increased emphasis on generating revenue, many park and recreation agencies are dealing with the question of how to maintain service to low income visitors as they establish or increase fees.

The intent of charging fees is certainly not to exclude those who are unable to pay the fee. Studies have shown support for user fees among all segments of the public, including low income who consider it reasonable and fair that users pay more than non-users for the direct benefits they receive.

In a nationwide survey of 800 households, Economic Research Associates reported there was support from disadvantaged groups for more user pricing:

> *The greatest support for user fees came from the elderly, the low income, and rural residents. Often these characteristics correspond to persons with low rates of participation (non-users). Lesser support for user fees (although supporters are still a majority in all cases) came from the young, high income, and college educated groups. Often, these characteristics corresponded to persons with high rates of participation.*

Regardless of public support for user fees, the problem of minimizing the negative impact of fees on low income visitors must still be addressed. Recreation participation rates are lower among low income populations. While fees are not always the primary barrier for

lower income populations, they can be a barrier. Fortunately, there are a number of ways in which public agencies at all levels can effectively meet both agendas of generating revenue and providing service to all income levels:

- Establish a base level of service that is "free" to all and tax supported without user fees.
- Waive fees for special events or activities on an individual basis.
- Schedule free days or free hours.
- Reduce rates for off-season or off-peak use times.
- Have local citizens, businesses or service clubs sponsor or subsidize programs or sponsor participants.
- Adjust fee structure according to income level of nearby community.
- Provide opportunities to work in exchange for fees.
- Publicize discount or low cost facilities or activities.
- Provide or arrange for public transportation or group outings.
- Offer discount passes to low income visitors (including seniors and disabled).
- Approach the park's nonprofit support group (cooperating association, friends group, or even the governing body) to set aside a small pot of money to cover or offset the fees for those who are unable to do so themselves.
- Give self-addressed envelopes to the visitors unable to pay with a request that they send in their fee when they have it, and waive them through for the day.

While there are some people who cannot afford to pay even nominal fees, most park managers and rangers who were interviewed for this article did not feel that the charging of entrance fees was the prime reason for lower attendance among the low income populations. For low income people there are many barriers to recreation participation other than fees, including lack of transportation, cost of transportation, distance to outlying parks, lack of information on available recreation opportunities, cultural or language differences, and discomfort and lack of awareness of unfamiliar parks. While many of these barriers are shared by most Americans, they are understandably harder for low income people to overcome.

Given these interacting, often overwhelming barriers, what can park staff do to minimize fee impacts on low income users and encourage them to visit and enjoy the many national and state parks that are available? There are many park staff who have already accepted this challenge and are implementing new programs and approaches with great success.

Here are some examples of what is already being done to encourage more low income people to visit parks and participate in recreation activities:

- The California Department of Parks and Recreation held a workshop in Southern California called "Reaching New Horizons" which was aimed at recreation leaders serving low income, inner city communities. The purpose was to provide information to the recreation leaders to enable them to plan outings for their communities to nearby state parks.
- The National Park Service does not charge entrance fees at the urban National Recreation Areas. Many state park systems, including California's, have a similar policy.
- Reduced rates are available at national parks for seniors and the disabled by requesting a lifetime permit —Golden Age Passport (for seniors) or Golden Access Passport (for disabled persons).
- The Chicago Institute of Art, and other museums, utilize a "pay what you can, but you must pay something" fee policy for admission. An admission fee amount is suggested, but not required, and allows for low income families to visit without excessive expense.
- The Missouri Botanical Garden in St. Louis waives the entrance fee before noon, one day a week. This policy is aimed primarily at senior citizens with limited ability to pay.

- John Muir National Historic Site applied to the California Office of Environmental Education for a $5000 grant to expand their Environmental Living Program. If the grant is received, special programs will be designed for economically disadvantaged children, gifted children, and children with learning disabilities.
- The gift catalog for the City of Sacramento, California, gives community members and businesses the opportunity to sponsor individuals or groups in a number of recreation and cultural activities, for instance:

  —$15 would sponsor a youth on a swim team
  —$100 would send a child to a special school—such as theatre camp, summer school of the arts, or science, computer or math camp
  —$150 would provide a free 5-hour swim for a neighborhood
  —$250 would sponsor a summer band concert in a park
  —$1000 would provide transportation, admission, insurance and supervision for 40 youngsters on a field trip
- At Chamizal National Memorial a group of disadvantaged minority boys, ages 8-11, who frequent the grounds on weekends, have been organized into a "Junior Ranger" group to learn about the facilities and good citizenship, and to assist with activities at the park.
- Padre Island National Seashore is increasing their awareness of the park and their volunteer program by appearing on a local Spanish-speaking TV show.
- At Channel Islands National Park, a $1,000 grant is being used to help subsidize boat trips to the island for fourth grade students in nearby schools.
- In Seaside, California, the California Department of Parks and Recreation worked with the local high school to offer an environmental career opportunities class for disadvantaged students. Students are taught leadership skills and lead day hikes and overnight camping trips for elementary school students and seniors in this low income community.
- Santa Monica Mountains National Recreation Area brought in 10,000 visitors (many community groups from low income areas) in 11 weeks through their Recreation Transit Program that was funded with a grant from the California Coastal Commission. Park staff scheduled pre-trip visits to members of many of the communities who were to visit the mountains to dispel misconceptions and pave the way for a safe and fun visit.
- Gateway National Recreation Area, and their friends groups, have worked with New York City Transit Authority to ensure express bus service from Brooklyn to Jacob Riis Park, serving 30,000 riders per year, many autoless, who might otherwise be unable to visit the park. An increase in bus fare from 75 cents to 90 cents, did not affect ridership.
- At Gateway, Santa Monica Mountains and Golden Gate National Recreation Areas a variety of cultural and art events are offered (geared to the ethnic groups of the areas). Private sector support is often sought to keep costs at a minimum and attract as many people as possible.

As you can see, there are a multitude of options to consider and implement to minimize the impact of fees on low income people. We must also recognize that there may be other barriers to resolve. We need to comprehensively address how we can reach out, attract and continue to serve low income users as public managers.

Heather Fargo and Lynne Nakata are Outdoor Recreation Planners with the National Park Service's Division of Park and Recreation Technical Services in San Francisco, California.

Recreation Fees on National Wildlife Refuges

by Nell Prior Baldacchino

Each year, approximately 25 million people travel to the wilder sections of our country to hike, birdwatch, hunt, fish or otherwise enjoy nature on one or more of the over 420 national wildlife refuges scattered throughout the United States. Comprising nearly 90 million acres, the National Wildlife Refuge System exists primarily to provide habitat for wildlife. Public uses are permitted when they do not interfere with the primary wildlife purposes of the refuge.

In keeping with Fish and Wildlife Service policy, most refuge recreational activities are wildlife-related. Such activities include wildlife observation and photography, hiking, canoeing, fishing, hunting, and environmental education. Refuges often have facilities for the public, such as visitor centers and exhibits, special study areas, interpretive trails and drives, wildlife observation towers, and photographic and/or hunting blinds. Although there are presently no entrance fees on refuges, some visitor services are provided on a fee basis.

Concessionaires operate on a few refuges (eleven in 1983) and provide such services as boat rentals, fishing supplies, wildlife tours, guide services and occasionally camping facilities. Under authority of the Land and Water Conservation Fund Act, the Service also charges recreation fees for special recreation programs and facilities on national wildlife refuges. A reservation fee system provides a means of limiting the numbers of recreational users and helps ensure a high quality recreational experience. In most cases,

A nominal recreation fee is charged for use of overnight campsites along canoe trails at Okefenokee Refuge, Georgia.

Susan Saul USFWS

Rental of hunting blinds is one of the most common uses of the refuge recreation fee program.

the fee system is used when the type of activity, frequency, or volume of demand would not be suitable to a concession operation.

Of the nineteen refuges charging recreation fees in 1983, thirteen charged for services associated with hunting, such as blind rental. Fees are also charged for special wildlife tours provided by refuge staff such as seasonal elk bugeling tours at Wichita Mountains Refuge, Oklahoma, and night boa swamp tours at Okefenokee Refuge in Georgia (season and water levels permitting). A nominal reservation fee is also charged at Okefenokee for overnight use of primitive campsites along canoe trails. Ottawa Refuge in Ohio collects a fee for use of an old hunting lodge located on the refuge. Organized school groups, and conservation groups may make overnight reservations in conjunction with various educational programs.

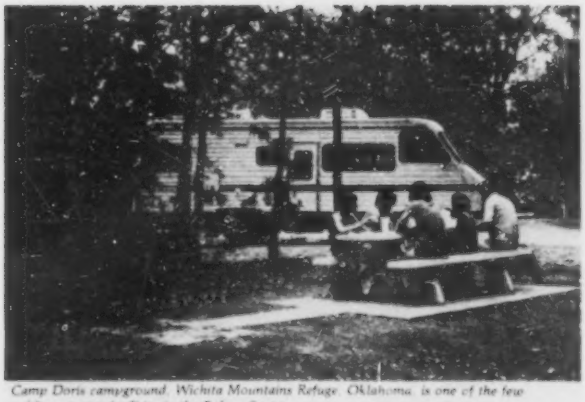
Camping facilities are provided on a limited basis on a few refuges, such as Wichita Mountains Refuge. In general, camping is only permitted on refuges when it is related to wildlife-oriented recreation, and it is usually of a primitive nature.

Service fees are not based on a fixed-rate schedule, but, in general, are comparable with other Federal and non-Federal public agencies and the private sector providing similar services and facilities in the area. The Service honors Golden Age and Golden Access Passports on all fee areas.

Decline in Number of Fee Areas

Nineteen refuges collected recreation fees in 1983 as compared to 27 in 1981. This drop in the number of fee areas is largely a result of language in the 1983 Appropriations Act which abolished special recreation fee accounts and provided that fee collection revenues be conveyed to the Land and Water Conservation Fund Account for support of any and all activities authorized by the fund. Consequently, there is a lack of economic incentive of Service personnel to collect fees, since they are no longer able to directly recoup these funds to benefit the refuge.

The Service has proposed to amend the Land and Water Conservation Fund Act to provide for the creation of a special fund for recreation user fees and to authorize appropriations from the fund for various recreational purposes on national wildlife refuges. Revenues derived from this account would be available primarily to repay field stations for fee collection costs and help defray



Camp Doris campground, Wichita Mountains Refuge, Oklahoma, is one of the few public camping facilities in the Refuge System.

Elsie Smith, USF&WS

Organized school groups and conservation groups may make overnight reservations at Buttermut Lodge, Ottawa Refuge, Ohio.

Mike Boylan, USF&WS

Refuge visitors learn about elk on a wildlife tour at Wichita Mountains Refuge, Oklahoma.

Frank Bryce, USF&WS

operational and maintenance costs of the activities and facilities generating recreation fees. Revenues could also be used to upgrade existing facilities to make them eligible for fee collection, and to expand public use benefits where fees may or may not be collected.

Commercial Activities

It should be noted that in addition to recreational fees, the Service also collects fees for a variety of refuge uses including grazing, timber harvest, cooperative farming and similar revenue-producing activities conducted under special use permits and other agreements. Many of these commercial activities have wildlife management benefits (e.g., controlled grazing maintains short grasses for goose browse, timber harvest provides diversity of habitat, and farming provides food for migrating and wintering waterfowl). The Refuge Administration Act of 1966 requires all such activities to be compatible with the purposes for which the refuges were established.

Nell Baldacchino is a staff biologist for the Division of Refuge Management, U.S. Fish and Wildlife Service.

Nationwide Study Documents: State of the Art in Park and Recreation Finance

by Sarah M. Jones

While the public continues to resist higher taxes, governmental park and recreation agencies will continue to experience financial constraints. As traditional funding sources diminish, agencies are challenged to find alternative sources of financing and to devise more efficient and creative means to maintain and expand services. The technique most widely used to augment sagging tax bases has been fees and charges.

However, with the uncertainty of future public allocations, agencies are forced to develop new funding alternatives to offset rising costs. These shifts in financing public park and recreation programs raise a number of philosophical, operational, and policy questions. As a result, it will take a concerted effort on the part of private and public institutions to provide the answers to these questions. This study is only one of many efforts to collect data on the current status of public agencies providing recreation services.

Study Purpose

In 1982, in preparation for the Fourth National Outdoor Recreation Plan, the National Park Service (NPS) in conjunction with the National Recreation and Park Association (NRPA) conducted a nationwide survey of public park and recreation departments. The primary objective was to determine the current status of the departments in the following areas: administration, financial information, fees and charges, private sector involvement, areas and facilities, and personnel information. This was to serve as trend data for the urban portion of the National Outdoor Recreation Plan.

However, NRPA and NPS funding cuts halted the project. In the fall of 1983, the Revenue Sources Management School (RSMS), Wheeling, West Virginia, received the surveys to compile and interpret. The NPS, NRPA, and the RSMS are sharing the final results with interested persons and organizations.

Methodology

NRPA mailed the "1982 Public Parks and Recreation Services and Program Survey" with a cover letter explaining the purpose of the survey to 700 departments within the United States. The sample was randomly selected from NRPA's chief administrator mailing list, a nationwide data base containing approximately 3500 entries at the time of the mailing. A total of 305 questionnaires were returned representing a 44 percent response rate which is above average for a self-administered questionnaire.

The survey has a margin of error of 2 percentage points, which means that if the survey were repeated under similar conditions, in 95 chances out of 100, the results would not vary by more than plus or minus 2 points.

Finally, because some respondents did not answer all questions, survey results are expressed in terms relative to the number of total responses to that particular question.

Distribution of Respondents

The distribution of respondents was recorded according to geographical region, population size, organizational type, and governmental jurisdiction.

The majority (50%) of the park and recreation departments serve a population less than 50,000 with the fewest (6%) serving a population greater than 1 million. The majority (64%) of respondents providing services function under a combined parks and recreation agency. This response pattern is very consistent with a 1975 NRPA survey of parks and recreation agencies (66%). The predominant form of jurisdiction under which parks and recreation agencies function is the category of local government (64%).

Survey Findings

The following report contains only the financial aspects of the survey—sources of funding, budget cuts, fees and charges, and innovative funding techniques—as reported by the responding agencies. Additional information may be obtained from the National Recreation and Park Association.

Funding

The structure of parks and recreation financing is complex and varies from agency to agency, but general fund appropriations provide the major source of financing for all agencies. Fees and charges represent an average of 19 percent

of the various funding sources. This represented a 4 percent increase since 1979, according to a National Science Foundation study. The remaining six funding source categories contributed approximately 10 percent collectively. The average percentage of budget funding sources is shown in Table I.

Table I

Average Percentage of Budgeted Funds Derived From Various Funding Sources

Sources	Percentage
General Appropriations	70.9
Fees and Charges	19.4
Private Funds	1.1
Dedicated Funds	.8
Federal Grants	3.1
State Grants	2.2
Local Grants	.6
Other Sources	2.8

Budget Cuts

Forty-seven percent of the responding agencies indicated that their operating budget had been cut or frozen in the fiscal year of 1981. Although no region was free of budget cuts, only 12 percent of the responding agencies in the Southwest region, representing only 7 percent of the total respondents, reported budget cuts. It is interesting to note that the frequency of a "yes" response rose as the population size increased.

The responses from those agencies whose budgets had been cut or frozen appear to contrast with the figures reported in the operating and maintenance budgets. Less than 16 percent of the respondents reported actual "cuts" in operations and maintenance budgets between fiscal years 1980-1981 and between 1981-1982. According to 22 percent of 256 of the agencies reporting, the operating budgets increased above 20 percent between the fiscal years 1980-1981. However, 18 percent of 272 reporting agencies indicated that the difference between the fiscal years 1981 and 1982 increased above 20 percent.

Budget Cut Effects

The effect of budget cuts for parks and recreation agencies varies from jurisdiction to jurisdiction. However, when respondents were asked to choose from a set of responses reflecting how cuts may have affected their programs, 49 percent indicated that they had experienced a manpower freeze on new hiring. Also, ranked significantly high was the reduction or elimination of facility maintenance (40%). Table II illustrates how respondents, on a nationwide basis, classified the major effects of budget cuts on their respective programs.

Innovative Funding

When asked to describe a new source of innovative funding developed as a result of a reduced budget, 59 percent of the respondents indicated that they did find new revenue sources. Table III shows how agencies due to budget cuts attempted to recover lost revenue. Although the literature suggests that select agencies have utilized those techniques shown in Table III for many years, this study shows that the techniques are being adopted across the country.

Private Sector Involvement

As Table III indicated, a vast majority of the innovative funding techniques directly involved the private sector. As the necessity to develop cost-cutting strategies increases, park and recreation departments are beginning to utilize the full potential of the private sector's resources. Ninety-two percent indicated that a cooperative relationship existed between their department and such organizations as local businesses, fraternal organizations and clubs, non-profit groups, neighborhood associations, governmental agencies, and volunteers.

Obviously, various opportunities for mutual benefits exist for both the parks and recreation agency and the private sector organization. Over one-half of the adminis-

Table II
Budget Cut Effects

• Manpower freeze on new hiring	49%
• Facilities' maintenance reduced or eliminated	40%
• Limited or closed operation of certain facilities	29%
• Personnel discharged because of budget cuts	24%
• Significant programs eliminated because of budget cuts	23%
• Bond issues of facilities' development halted	14%
• Other	12%

Note: Percentages will not total 100 since respondents could indicate more than one choice.

Table III
Innovative Funding Techniques

	%
Fees and Charges	26.11
None	10.00
Gifts and Donations	9.44
Fund Raisers/Special Events	6.67
Volunteers	6.67
Contractual Receipts	5.56
Grants	5.56
Corporate Business Support	4.44
Commercial Pursuits/Video Games	3.33
Establishing Foundations	3.33
Gifts Catalog	2.78
Friends of Park: Adopt-a-Park	2.78
New Compulsory Revenue	2.78
Co-Sponsorship	2.22
Contractual Saving	2.22
Trust Funds	1.67
Other	4.44

Note: Only 59 percent of the total (306 respondents) answered this question.

trators across the country saw "realistic opportunities" for increased private sector involvement in the areas of: 1) development, 2) program services, and 3) concessions. Less than 1 percent of the respondents saw little opportunity for private sector involvement in the area of "administration."

Fees and Charges

The utilization of fees and charges will continue to be a primary revenue source to offset the loss of traditional funding sources. Seventy-six percent of the respondents indicated that due to budget pressures in 1981, they were planning to impose new fees or increase existing fees and charges. However, as the use of fees and charges increases, the tendency still remains for these monies to revert back to the general fund. Of those responding, 56 percent of the agencies reported that all fees collected would indeed revert back to the general fund, while 36 percent reported that all fees collected were dedicated to future parks and recreation use. The Great Lakes Region reported the highest percentage of agencies allowed to keep collected fees and charges (52%).

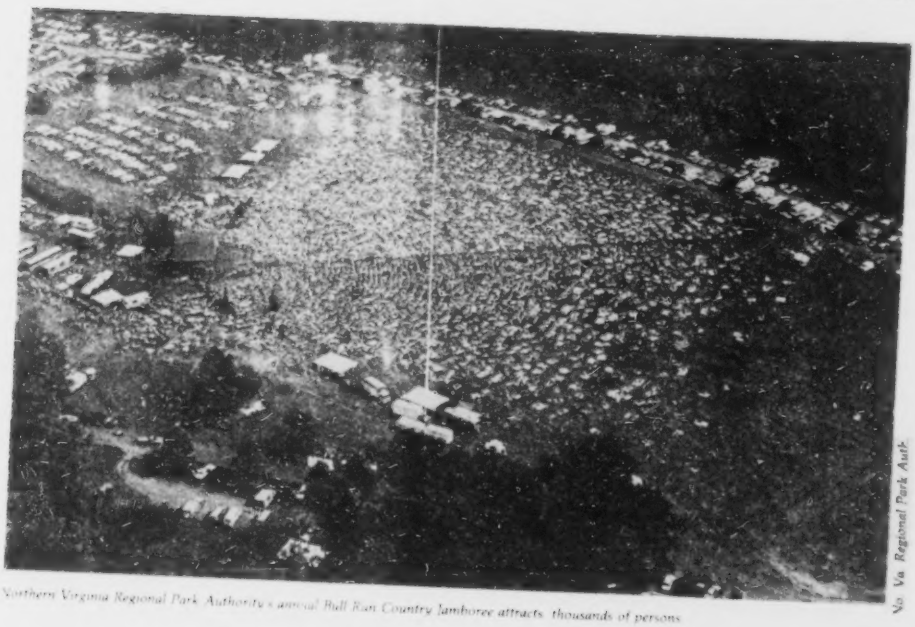
Attitudes Toward Charging Fees

Attitudes and opinions of administrators were measured via three questions illustrated in Table IV. Administrators were split as to whether local government should

provide recreation services at little or no cost to the user. Forty-five percent agreed with the strategy while 55 percent disagreed. However, 65 percent agreed that the user should be charged as much as the market would bear. Of the three opinion questions, the last received the least support. Only 24 percent of the respondents felt that local government should provide services which the private sector could not do profitably.

Table IV
Incidence of Fees and Charges Policies

	Strongly Agree	Agree	Disagree	Strongly Disagree
	%	%	%	%
Local government should provide recreation services at little or no cost to the user	9.70	35.45	43.81	11.04
Local government should charge the user as much as the market will bear in providing recreation services	3.65	30.90	53.82	11.63
Local government should provide only those services which private enterprise cannot profitably provide	4.00	20.00	64.00	12.00



No Va Regional Park Auth.

Northern Virginia Regional Park Authority's annual Bull Run Country Jamboree attracts thousands of persons.

Study Results

A number of financial practices are evident from this survey. The following list summarizes the more prominent ones:

- Funding sources for parks and recreation agencies remain relatively the same with some increase in fees and charges.
- There appears to be a reliance on fees and charges to offset the loss of traditional funding sources.
- Many parks and recreation agencies are reporting budget cuts, but at the same time a number of agencies are reporting substantial budget increases.
- Innovative funding techniques are becoming a "way-of-life" for most agencies rather than an "option."
- Cooperative relationships with the private sector appear to be increasing.
- "Dedicating" fees and charges back to the parks and recreation fund for its exclusive use is increasing.

Conclusion

There are three conclusions that can be drawn from this nationwide survey: (1) the survey documents those "gut-perceptions" administrators have been expressing for some time about budget cuts, increased use of fees and charges, and the need to modify traditional philosophies; (2) It serves to support the results of previous studies in the areas of fees and charges, general fund appropriations and the effects of budget cuts; (3) The data magnifies the need for future study which provides sound policy and operational recommendations in the area of park and recreation finances.

The following suggests possible research questions for future study:

- If fees and charges are becoming a viable solution to drained resources, what criteria must be developed before establishing equitable user fees?
- Is the public sector becoming too dependent on fees and charges to maintain and expand services?
- What other areas of financing can be developed?
- What will be the long term effect of budget cuts if the following practices continue?
  - —reduced maintenance
  - —personnel cutbacks, salary freezes
  - —limited capital development projects
  - —reduced or eliminated programs and facility operations
- Will the reliance on private and corporate funds result in a loss of autonomy in policy and operations?

Sarah M. Jones is a T.I. Hines Scholarship Recipient and an assistant to Sondra Kirsch, Director of the Revenue Sources Management School, Wheeling, West Virginia.

Who Can You Turn To?

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Senator WALLOP. Let me just observe that we've heard a variety of approaches, with again a general underlying thesis, that it's time we relooked at these things with the idea in mind of achieving certain purposes and goals which vary a little out here.

One big hope that I have, and I urge you to be helpful to the committee on that, is not to get so pinned to a principle, such as yours, Barry, that generally recreation opportunities should be funded from general revenues; or yours, Destry, that raising fees, for example, be related solely to the commercial value and not something else; or ways of spending the money or allocating it and reallocating it that we don't, in the midst of being pinned to that wall, find ourselves incapable of action at any level and confront an unprincipled disaster.

I think one of the reasons, for example, that the Director wants to retain a certain portion of the fees collected in a given facility in that facility is to provide the incentive to collect them. And as you know—and Destry, you know this—you can go into a lot of parks with entrance gates that collect fees and find them unmanned because of a certain set of circumstances.

There are other priorities that a park superintendent feels that he must address first, rather than the collection of fees. You know, one can order them to do it, but not without cost somewhere else within the system.

I mean each of these things is going to come down to a sort of level of practicality. I mean I thoroughly agree with you, Destry, that it would not be a bad idea to have some small fee for back country developed sources. But collection of it presents the same problem as it does a park with multiple entrances. I mean who the hell is going to be around when you light your fire in a little prepared tent ground and say, fifty cents, please?

And if we start putting automation in, I can tell you what the average user is going to feel like when left to his own devices with an automated collection. So we're going to have to kind of work within the general consensus that I hear out there, and I heard this morning, too; that the administration's witnesses weren't giving the administration's line. And it just was clear and obvious.

There is a feeling that these fees for users should be devoted to enhancing the ability of the country to deal with a certain portion of its recreational structure, not as a substitute for an appropriation process that's already there. I don't believe that you can fundamentally divorce that somewhere down the road. I mean sooner or later somebody's going to take it into the back water of consideration and find an artful way to devise budgets that will reflect that. But not initially. And initially it's going to give us an opportunity to do some things that we can't now do, but we must.

And again, let me suggest—who was it that mentioned that—oh, I think you, Mr. Howell—that certain private resource people weren't here. This is only——

Mr. HOWELL. Independent sector. Yes, sir.

Senator WALLOP. Independent sector. This is a threshold event. I do not by any stretch of the imagination look for high-speed, reckless kind of action on this.

I'm sensing, Destry, that this isn't nearly as dangerous as it once was. I think there is a consensus around that economic circum-

stances are driving us to decisions that we might have rather skirted in the past. And with that, I also sense very much that we can probably develop some kind of common ground that requires a little give from this particular view or that particular view in order to somehow or another surround the whole view, which I keep hearing coming across.

It's not going to be easy. Hopefully the Commission, if it ever gets started, Derrick—and I'm certainly glad I didn't hold my breath for January—nonetheless, hopefully we can address a lot of these issues, and that we don't, because of the reconciliation requirement, get too far committed down one course that will prohibit us from traveling another.

I suspect that's possible. I think the chairman's statment this morning was pretty reassuring. If he won't, it's hard for me to see how we can. He does have a certain place and control over what happens here. And I agree with him on it.

The thing that I think we'll need your help on the most is how to provide an appropriate level of flexibility so that you can have some rationality in how these are applied and where, and that we don't either increase the cost of administration to the point increased fees are a consequence, or that Congress holds the rein on it, that there is virtually no change in the set of circumstances. That's really going to be the hard part, is to give sufficient rein so that they can be accountable and find the means by which we can judge them accountable, without toying with every single part.

I don't think Senator Bumpers meant exactly what he said. But God, if we have to review each thing in each instance in this whole recreation system of ours, whether the corps, the Forest Service, the BLM, the Wildlife Refuges, the committee will never do anything else.

Mr. HOWELL. Mr. Chairman, I find it incredible that these fees are set by the Congress. In my State, I set the fees; the Governor gives me the job to do, and I do it, and we are pretty well satisfied with what we do.

Senator WALLOP. I find it incredible, too, except that I've been here long enough to know that what I find incredible is irrelevant. [Laughter.]

Mr. HOWELL. It's obvious that it's irrelevant, what I find incredible; no question about that.

Senator WALLOP. I mean we're going to have to do it, but it has not been the desire—and the big whoo-ha in whatever it was, 1978—was less over the principle than whose reins were going to be on the bit. I mean thank God, because the principle, I think, was one that was catastrophic.

We need your support. We need you to tell us that that's going to be a little bit outrageous. But you also have heard it, and Senator Bumpers who is well committed to the quality of recreation experience, as is anybody on this committee, but you did hear the reservation that he expressed to both the Director and Frank. What's going to be in every place, and where it's going to be, and I know what he's talking about. And we can't get there through that door.

So your help is going to be primary in trying to achieve some rationality in all of this. The thing that encourages me most is the common thread from the States, the associations, from various

agencies of Government that appeared here this morning. With that we have a fair chance to survive with our next—and with a system that is a little stronger at the other end.

Mr. HOWELL. Mr. Chairman.

Senator WALLOP. First Mr. Howell, and then Barry.

Mr. HOWELL. I just want to say that my reference to 7525 a while ago, you understand that the State level and local level bookeeping is different than it is at the National Park Service level. Barry noted a while ago that you all don't handle your own inns and lodges as we do, and our maintenance dollars are figured one way, and the Federal figured another.

So take that into consideration in my remarks.

Senator WALLOP. It's one of the things that I think we ought to take into consideration, too. This idea that all the funds that we collect for a variety of things go into one pocket and go into a common maelstrom out there and swirl out in unrelated ways back has got to get over. There has to be some—we can argue over the 7525 or what's an appropriate level of fee for which kind of activity or another, but we shouldn't argue over whether there has to be some clear means of accounting for what we do collect, in the public's mind translating it into the quality of the experience that they expect when they go to these places.

Mr. TINDALL. Derrick used the reference to a closed loop user fee system or approach. And I think that's a good generic reference to it. What I sense the discussion from the previous panel and from this panel seems to be coming down to is what's the definition of the loop. What are the parameters financially; what are the uses; how much goes back to the generating unit or the generating agency or the generating system? We happen to think that the more useful reference is systemwide rather than site-specific.

Senator WALLOP. But see, there're two things that are being talked about here. Yours is the one extreme, systemwide. I don't think Derrick's was quite a closed loop, but let's call that the other extreme. And then there is the——

Mr. TINDALL. I would hope you wouldn't do it quite that way, since——

Senator WALLOP. No, but then there is that middle ground that a portion stay here and a portion go to the system. So in all of that, there's a concept for which we can find a meeting of the minds, surely.

Mr. TINDALL. You know, I don't recall specifically what the representative of the Corps of Engineers said, but they manage a lot of things, not the least of which are big things like the Intercoastal Waterway. And every time a recreation use fee is proposed for that, there seems to be a hue and cry from the boating community who might in fact pay that.

I don't know whether they refer to that type of thing or not. But in the consideration of the notion of charging for recreational use of Federal natural resources, it seems to me that you have to draw the loop and the definition around those people.

Senator WALLOP. I agree with that. That's the art of all of this, and that's where we, Mr. Howell, come up on the shoals pretty quickly, that it's not so much in the State, the breadth of a State, no matter which the State is, recreation opportunity is necessarily

more limited than the whole nation. And we get players in this thing who have a variety of different constituencies and a variety of different positions in the Congress to exercise the cares and concerns of those constituencies happen to be well placed.

The loop is like the ones I used to throw: It misses. I mean I think our purpose is generally to try—and I think both Max and the Corps said in response to Senator Bumpers that the only real way to keep things reasonable is to have the broadest base you can and the basis of reasonability. That would clearly mean users of inland waterways, just as much as it would be users of developed campgrounds.

It would be hard for me to justify asking somebody for $5 bucks to go into Yellowstone, and say that the boaters can free through an inland waterway. There are fundamental quality services that are being provided in either instance which tell us should have some care.

I thank you all for coming, and we really do look forward to working with you on this. There are others undoubtedly, who will wish to comment on this, independent sectors as well.

The hearing record will remain open for 2 weeks, and that's only this hearing. As I understand it, there will be more on this subject as we get specific recommendations and opportunities to deal with it as we go along, and perhaps you can develop specific recommendations that would generate from within.

Mr. HOWELL. Mr. Chairman, could I clarify that independent sector thing for just a second? I am talking about Girl Scouts, Boy Scouts, church groups who do all this programming on our parks and on your parks and everywhere in the recreation system that need to comment on this, because larger, higher entrance fees might exclude a busload of those kids from a park.

And our purpose is to include folks in leisure services and so I am just concerned that they have time to comment, and I'll encourage them.

Senator WALLOP. Yes, and we look forward to it. I think the real purpose of this is not really to exclude anybody, but I still hearken back to something like what the Director said; that it is almost inconceivable that somebody could drive 500 miles to a park and not have $5 to get in it. I mean they're not going to get home from it if they can't do that.

And, you know, the urban park concept, that the express takes care of a certain other level of the Government and the Nation's accountability. But clearly there is a balance that must be necessary.

Mr. CRANDALL. Mr. Chairman, just to validate their statement there, in reading back through the history—and it's been a stormy history on the Golden Eagle Passport. At one point, the pricing of the Golden Eagle Passport was defined as being approximately the cost of a tankful of gas. And at that time they were talking about $5 to $7 for the Golden Eagle Passport.

As those of us who have automobiles are painfully aware, very few gas tanks fill up now with $5 to $7 worth of fuel.

Senator WALLOP. I can't get my needle to move for $5.

Well, thank you all very much. The subcommittee stands adjourned.

[Whereupon, at 12:23 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Questions

United States Department of the Interior

BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

JUL 18 1985

IN REPLY
REFER TO: 423

Honorable Malcolm Wallop
Chairman, Subcommittee on Public Lands,
Reserved Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator Wallop:

This is in reply to your July 9, 1985, letter to Mr. James Cook, Chief of the Division of Water and Land, that provided an additional question to be answered for the record of the June 27, 1985, oversight hearing on recreation fees by the Subcommittee on Public Lands, Reserved Water and Resource Conservation.

The answer is provided on the enclosed page. The person knowledgeable about this information is Edward R. Harris, 343-5204.

Sincerely yours,

Robert A. Olson

Acting
Commissioner

Enclosure

Oversight Hearing on Recreation Fees

1. Please outline the Bureau of Reclamation's current policy on recreation fees? Is the Bureau supportive of the OMB's 25% recovery proposal?

Answer

The Bureau of Reclamation's policy is to charge fees at recreation areas where services are provided above the basic or minimum facilities level and where collection is economically and administratively feasible but not prohibited by the restrictions of the Land and Water Conservation Fund Act, as amended, and the Federal Water Projects Recreation Act, as amended.

The Bureau of Reclamation supports the concept of cost recovery. We believe that our agency should be able to do better than OMB's 25 percent goal at many areas if the restrictive language pertaining to fees is removed from the Land and Water Conservation Fund Act and the Federal Water Projects Recreation Act.

We believe, however, that a meaningful revision of the Federal recreation fee program should provide that fees may be retained by the collecting agency for recreation OMR&I (operation, maintenance, replacement and improvement) use. This is a logical way to help ensure that the Nation's existing recreation resource base is protected. Reductions in revenues collected due to the cost of processing the funds to the central Treasury would be eliminated. Also, we believe the users will be more supportive if they know the fees are going to be used to maintain the areas they use. Federal agencies should be permitted to assess fees similar to those charged by other recreation management entities in the area on the basis of the service provided to the user.

If, on the other hand, the Congress determines fees should continue to be regarded as general revenues not available to the collecting agency, the agency should be permitted to deduct collection costs.

United States Department of Agriculture | Forest Service | WO

Reply to: 1510

Date: [illegible] 1985

Honorable Malcolm Wallop
Chairman, Subcommittee on Public Lands,
Reserved Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Enclosed are our answers to the questions from the oversight hearing on recreation fees as requested in your July 9 letter.

Sincerely,

for R. MAX PETERSON
Chief

Enclosure

FS-6200-11(8-80)

QUESTIONS FROM SENATE SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION FROM JUNE 27, 1985, RECREATION FEE HEARING

Question 1. Is the Administration's 25% recovery proposal feasible for the Forest Service?
Answer: With the estimated revenue from the proposals that we recommended during the oversight hearing along with total other recreation revenues from current authorities, the Forest Service would be able to recover at least 25% of our recreation costs from recreation users.

Question 2. Would you support a proposal to charge fees for hunting and fishing in the National Forests?
Answer: We do not believe that a recreation fee bill should include a proposal to charge fees to hunt and fish. Licensing for these should remain in State control. If a person hunting or fishing uses a fee site, they should pay the fee for the use of that site like all other users.

Question 3. Should the prohibition on charging entrance fees for National Forests be lifted? If so, how would they be collected? Would persons living in or around the Forests be exempt from these charges?
Answer: We are not recommending that entrance fees should be charged on the National Forests. We do not believe that implementation of an entrance fee program with gates at the entrances to National Forest System lands is practical because of the multiple entrances and extent of private land within the National Forests. We are proposing that user fees be authorized for areas where special facilities or services are available. There may be areas of concentrated recreation use involving a number of fee facilities or other special management provisions where it may be appropriate to charge one fee for the use of the area.

Question 4. Do you feel that the criteria for charging user fees contained in the Land and Water Conservation Fund Act as amended are too stringent?
Answer: Yes. We have many recreation sites that require significant costs for operation and maintenance where we are prohibited from charging fees. In many cases where we charge fees during the summer we are unable to charge a fee during other times of the year because the water system must be turned off to prevent freezing. All the rest of the facilities are available but a charge is currently prohibited when the drinking water is not available. Another example is a boat-in campground that has all the facilities required by law except roads so we are unable to charge a fee. At many picnic grounds we incur high costs for operation and maintenance. Many are adjacent to fee campgrounds. The user of one type of facility must pay and the user of the other does not, even though they both use the same type of facilities and enjoy the same type of services. We believe that the prohibitions in Section 4 (b) of the Land and Water Conservation Fund Act, as amended, should be deleted.

We plan to continue to look at the long-range recreation program needs and opportunities. As a part of this review, we may well need to consider new ways beyond the proposals discussed at the hearing to support our outdoor recreation programs. We anticipate working closely with the President's Commission on Outdoor Recreation Review in their consideration of long-range recreation and funding needs.

ANSWERS FROM TVA

Question

Do you support the recommendation contained in the President's 1986 Budget to increase recreation fees to recover 25 percent of the cost of Federal outdoor recreation programs?

Response

As we stated in our written testimony of June 27, 1985, TVA is supportive of legislation to increase the discretionary authority of Federal agencies to establish reasonable admission or user fees to help defray the cost of providing Federal recreation benefits. We support the principle underlying the proposed legislation and think that the availabilty of high-quality outdoor recreation areas could be enhanced if reasonable plans for users to pay a fair share of costs could be developed. However, we question the feasibility of collecting at least 25 percent of the overall cost of Federal outdoor recreation programs through fees.

In our opinion, the extent to which the cost of outdoor recreation programs may be defrayed through fees may vary from agency to agency, and among various recreation facilities managed by the same agency. For example, at TVA's Land Between The Lakes (LBL), the fees collected at family campgrounds and group camps cover 61 percent and 46 percent, respectively, of operation and maintenance costs. However, there are other types of TVA facilities, such as boat ramps, trails, and picnic areas, where fees would likely only cover a small fraction of their operation and maintenance costs. In fact, a fee charge would probably be impractical at many of these areas due to prohibitive collection costs. The establishment of entrance fees at most TVA recreation areas also would not be practical because of the additional costs for fee collection and access control problems.

While TVA favors the principle of enhancing public recreation opportunities through the collection of reasonable fees from the users of Federal recreation facilities, we are concerned that the recommendation to recoup 25 percent of the overall cost of Federal outdoor recreation programs may neither be achievable from a practical standpoint nor desirable as a matter of policy.

IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

1750(140)

OCT 24 1985

Honorable Malcolm Wallop
Chairman, Subcommittee on Public Lands, Reserved
Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator Wallop:

This is in response to your July 9, 1985, letter to Frank Edwards, Assistant Director, Land Resources, Bureau of Land Management, and your September 12, 1985, letter to Secretary Hodel which provided four questions directed to the Bureau of Land Management pertaining to the Subcommittee's June 27, 1985, oversight hearing on recreation fees as authorized in the "Land and Water Conservation Fund Act of 1965."

Answers to the questions are enclosed. We trust the information is helpful. Should you need additional information, please let us know.

Sincerely,

Director

Enclosure

1. Question: Please provide the Subcommittee with an overview of fees currently collected on BLM lands and what the agency might recommend for the future.

Answer: Recreation fees currently being collected by BLM are of two types - user fees and permit fees. User fees are charged at those BLM sites that meet the facility requirements of section 4(b) of the Land and Water Conservation Fund Act (LWCFA) (16 U.S.C. 460l-6a(b)). These are primarily campgrounds. In FY '84, BLM collected $122,050 at 57 developed campgrounds.

Special recreation permit fees are collected by BLM for permits that are issued primarily to authorize commercial and competitive recreation activities. Permits are also issued to groups and individuals by BLM in areas where special management is required to protect resources, control user conflicts, or to increase safety. Permits were issued at 165 BLM areas in FY '84 and $604,810 was collected.

The BLM recommends that:

(1) Fees collected be returned to BLM for operation and maintenance of recreation facilities. Such fees would be expected to supplement base appropriations for recreation purposes.

(2) The facility requirements in section 4(b) of the LWCFA should be modified to permit charging fees at all sites where costs are incurred and/or it is necessary to regulate use to protect the users or the resource. Fees will not be charged unless receipts are expected to cover collection costs

(3) Criteria and procedures for setting fees should be set forth in regulations.

(4) Government agencies be granted the authority to provide for the sale of permits and the collection of fees by volunteers, business and nonprofit organizations.

The BLM does not believe that charges should be assessed where no goods or service is being provided, where areas do not have relatively controlled access or for entry of multiple-use lands for general recreation use not necessitating special management or facilities. Economic and administrative feasibility would be carefully assessed before establishing entrance, permit, or user fees.

2. Question: Is the Administration's budget proposal to recover 25 percent of recreation costs through new and increased fees realistic for the BLM?

Answer: Not under current law. While recreation fees collected by BLM in FY '84 amounted to about 7 percent of BLM's recreation budget, BLM estimates that, under existing authority, its recreation income in FY '86 should approximate 12 percent of its expected recreation budget. Although we are not sure at the present time whether we can reach the 25 percent target, if the facilities requirements of section 4(b) of the Land and Water Conservation Fund Act (16 U.S.C. 460l-6a(b)) were modified to the extent that BLM could charge user fees at more campsites and facilities where economically feasible along with limited entrance and permit fees, BLM's estimated revenue could increase significantly upon full implementation.

3. Question: User fees collected by the BLM jumped from $66,200 in 1982 to $122,050 in 1984. To what do you attribute this doubling of receipts?

Answer: Facing substantial increases in costs of operating and maintaining recreational areas, BLM reviewed its fee schedule policy and found that user fees should be increased to be more comparable to other local and regional campground charges. The BLM also upgraded some of its sites to meet the criteria in section 4(b) of the Land and Water Conservation Fund Act (16 U.S.C. 460l-6a(b)) and thus was able to begin charging at more sites.

4. Question: Should individuals residing on property contiguous to BLM land be forced to pay each time they pass through Federal lands?

Answer: The answer is no. We do not believe that entrance fees should be charged for general entry or travel on public roads within, or casual use of, public lands. Fees should be assessed only where facilities or services are provided that specifically benefit the users. As noted above, before an entrance fee area is established, a thorough evaluation of administrative feasibility and costs would be made.

United States Department of the Interior

FISH AND WILDLIFE SERVICE
WASHINGTON, D.C. 20240

ADDRESS ONLY THE DIRECTOR,
FISH AND WILDLIFE SERVICE

1985 NOV 19 AM 9 37

NOV 14 1985

Honorable Malcolm Wallop
United States Senate
Washington, D.C. 20510

Dear Senator Wallop:

Enclosed are our responses to the questions you raised in your July 9, 1985, letter to Mr. James Gillett, regarding recreation fees on National Wildlife Refuges. I apologize for the delay in responding. Thank you for the opportunity to provide you with these answers, and if further questions arise please contact us.

Sincerely,

Ronald E. Lamberton

Acting Deputy Director

Enclosure

QUESTIONS SUBMITTED BY THE HONORABLE MALCOLM WALLOP

Oversight Hearing on Recreation Fees

Question: Please describe the fees currently collected on areas administered by the Fish and Wildlife Service.

Answer: The attached table, "Recreation User Fee Program," lists the activities for which recreation fees are currently collected on refuges. Recreation user fees are currently collected on 18 national wildlife refuges and in FY 1984, $135,818 was collected and deposited in the Land and Water Conservation Fund. The fees collected are not based on a fixed-rate schedule, but are comparable with other public agencies and the private sector providing similar services in the area.

The Land and Water Conservation Fund Act of 1965 authorizes the Fish and Wildlife Service (Service) to collect fees from the public for the use of specialized facilities, equipment, or services such as hunting blinds and regularly scheduled public tours. The Act prohibits the Service from collecting entrance fees.

Question: User fees collected by the Fish and Wildlife Service more than tripled between 1982 and 1984. How do you account for this sharp increase?

Answer: User fees collected in 1982 and 1984 were $107,421 and $135,818 respectively - a 26.4% increase. The increase was primarily the result of adding a backpack/camping fee at Wichita Mountains Refuge.

Question: What is the policy of the Fish and Wildlife Service regarding fees for hunting and fishing?

Answer: The Service does not charge nor is it seeking to charge fees for hunting or fishing. In some cases there are fees for activities related to hunting (e.g., reservations for hunting blinds) but no fees are charged for the actual activities of hunting or fishing.

Question: Why should the duck stamp be used in lieu of an entrance fee? Proposed last Congress.

Answer: We are re-evaluating this issue in the process of determining the specific details for the implementation of the Administration's overall entrance fee policy. When this work is completed we will send to the Committee our proposal and accompanying rationale as it relates to this issue.

U.S. FISH and WILDLIFE SERVICE

Recreational User Fees Program

Refuge	Activity	User Fees Collected				Fee Management Unit Visit				Total Refuge Visits				Costs 1/			
		1981	1982	1983	1984	1981	1982	1983	1984	1981	1982	1983	1984	1981	1982	1983	1984
Ankeny	Blind rental fee	$ 2,340	$ 2,210	$ 2,073	$ 1,578	789	755	698	508	9,900	8,600	8,500	9,205	$ 1,136	$ 885	$ 714	$ 606
Baskett Slough	Blind rental fee	2,297	2,273	2,058	1,590	782	773	711	544	29,566	14,705	13,500	14,898	1,032	932	844	674
Ridgefield	Blind rental fee	8,277	8,691	9,013	8,331	1,883	1,747	1,876	1,780	8,440	11,097	9,696	22,149	4,089	2,610	2,120	2,120
Umatilla	Blind rental fee	3,507	4,272	5,735	6,470	1,169	1,603	2,090	2,230	21,236	25,000	25,000	66,339	650	800	1,050	1,100
Willapa	Blind rental fee	1,854	2,083	1,748	1,608	428	453	397	371	53,000	54,439	17,225	18,446	2,300	1,913	685	651
William Finley	Blind rental fee	4,688	4,631	4,370	3,329	1,580	1,589	1,480	1,127	21,291	23,846	23,500	22,278	1,492	1,290	1,217	1,011
TOTAL	Region 1	$22,963	$24,160	$24,997	$22,906	6,631	6,900	7,254	6,560	114,933	136,787	97,421	153,815	$ 10,699	$ 8,710	$ 6,630	$ 6,168
Bosque del Apache	Blind rental fee	$ 2,454	$ 2,521	$ 2,511	2,542	831	854	986	955	35,513	35,513	63,000	14,500	$ 1,140	$ 10,150	$ 8,000	$ 12,500
San Bernard	Blind rental fee	1,912	2,123	N/A	N/A	638	711	N/A	N/A	6,156	7,729	N/A	N/A	1,800	1,735	N/A	N/A
Wichita Mtns.	Swimming	11,245	14,184	12,357	N/A	12,421	15,902	12,459	N/A	1275,588	1162,975	1196,190	1529,897	4,000	7,120	8,520	N/A
	Wildlife tours	586	466	448	506	636	466	448	506	"	"	"	"	100	100	100	100
	Backpack/camping*	183	353	898	32,143	183	706	449	31,434	"	"	"	"	2,100	725	900	6,000
	Elk Hunt*	2,610	2,520	3,100	2,130	304	301	577	108	"	"	"	"	200	200	200	150
	Picnic Shelter	N/A	N/A	N/A	310	N/A	N/A	N/A	1,860	N/A	N/A	N/A	"	N/A	N/A	N/A	$ 100
TOTAL	Region 2	$18,990	$22,167	$19,314	37,631	15,018	18,940	14,779	34,763	1357,257	1246,217	1263,190	1604,401	$ 10,140	$ 20,030	$ 18,420	$ 18,850
Crab Orchard	Blind rental fee	$ 5,085	$ 5,215	$ 2,988	2,872	2,683	1,968	1,121	1,056	1374,000	1193,344	1250,000	1093,468	$ 9,040	7,334	$ 7,033	$ 5,643
DeSoto	Blind rental fee	4,794	3,899	2,962	2,962	1,273	949	694	694	425,834	364,839	450,777	372,107	2,604	13,013	8,045	6,045
Ottawa	Lodge Reservation	2,453	2,475	1,200	1,470	2,268	660	925	650	53,657	86,459	111,566	71,904	350	1,500	376	658
Shiawassee	Blind rental fee	4,100	11,257	3,308	5,012	2,790	5,470	1,444	2,306	52,668	48,385	64,583	70,844	9,000	1,500	7,677	7,540
Seney	Log Cabin Rental	N/A	N/A	974	233	N/A	N/A	40	200	N/A	N/A	61,000	70,135	N/A	N/A	300	300
Upper Miss.	Trapping	10,685	N/A	N/A	N/A	2,337	N/A	N/A	N/A	2887,190	N/A	N/A	N/A	15,960	N/A	N/A	N/A
TOTAL	Region 3	$27,117	$22,846	$11,432	12,549	11,351	9,047	4,224	4,906	4798,349	1704,132	1937,901	1678,458	$ 36,954	$ 25,147	$ 16,607	$ 15,339
Tufaula	Blind rental fee	$ 477	$ 1,452	$ N/A	N/A	159	483	N/A	N/A	191,327	194,000	N/A	N/A	$ 575	$ 1,300	$ N/A	N/A
Matamuskeet	Blind rental fee	2,270	2,275	1,930	1,930	600	662	485	530	176,452	47,534	35,242	40,131	2,700	5,400	8,000	9,743
Okefenokee	Night tour	760	138	238	N/A	4,600	60	94	N/A	262,261	268,563	261,396	293,367	16,600	17,600	800	N/A
	Tram	1,551	N/A	N/A	N/A	2,527	N/A	N/A	N/A	"	"	"	"	16,835	N/A	N/A	N/A
	Canoe trail*	2,576	2,300	5,610	6,424	2,794	1,839	3,653	4,447	"	"	"	"	40,000	41,999	48,800	49,176
TOTAL	Region 4	$ 7,634	$ 6,165	$ 7,778	8,354	10,680	3,044	4,232	4,977	630,550	510,097	297,138	333,498	$ 76,710	$ 67,299	$ 57,205	$ 58,919
Bombay Hook	Blind rental fee	6,233	6,503	6,546	6,499	1,741	2,128	2,181	2,190	18,173	16,154	12,079	48,000	$ 11,154	$ 1,447	$ 14,563	1,035
Chincoteague	Deer hunt*	2,060	1,640	1,890	1,710	180	1,192	1,209	1,150	1509,262	1791,840	1444,942	1456,600	200	200	250	200
	Off-Rd.vehicles*	17,690	21,540	20,600	33,575	12,775	10,637	11,014	10,888	"	"	"	"	7,500	1,400	1,893	1,000
TOTAL	Region 5	$25,923	$29,683	29,036	41,784	14,752	13,957	14,406	14,228	1547,435	1317,994	1481,021	1504,600	$ 18,854	$ 3,047	$ 16,582	$ 2,235
Kenai	Camping	5,613	2,400	8,000	12,594	19,245	24,000	30,000	45,000	174,086	240,144	300,00	484,429	$ 9,471	$ 9,000	$ 20,000	16,527
TOTAL	Region 7	5,613	2,400	8,000	12,594	9,245	24,000	30,000	45,000	174,086	240,144	300,00	484,429	$ 9,471	$ 9,000	$ 20,000	16,527
GRAND TOTALS		108,240	107,421	100,557	135,818	77,677	75,888	74,895	110,434	8647,810	5249,371	5376,671	5759,190	$162,826	$134,342	$135,439	117,599

*Registration Fee

1/ Estimated costs associated with operating the fee management unit. These include both direct (e.g., salaries and related expenses) and indirect (e.g., overhead and staff function expenses) costs.

N/A - Not Applicable (there was no user fee program for the year).

United States Department of the Interior

NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

IN REPLY REFER TO:
L58(180)

NOV 29 1985

Honorable Malcolm Wallop
Chairman, Subcommittee on Public Lands,
Reserved Water and Resource Conservation
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator Wallop:

In response to your letter of July 9, 1985, enclosed are our responses to your questions concerning recreation fees. We apologize for this late response.

Sincerely,

Director

Enclosure

QUESTIONS BY SENATOR MALCOLM WALLOP

Question 1: How can you meet the proposal contained in the President's 1986 Budget to increase recreation fees to recover 25% of the cost of Federal outdoor recreation programs?

Answer: We cannot meet this proposal under existing law. Furthermore, we believe that, should legislation be enacted to permit us to increase fees to levels that would enable us to meet that proposal, the fee levels would be unrealistically high. We have recommended that this 25 percent goal not be applied to the fee program of the National Park Service.

Question 2: You said in your statement that you believe the American people would support the fee increases assumed by the President's Budget and the Senate Budget Resolution if they knew their contributions would be used to maintain park resources and to provide services to park users. What kind of fund might be established to ensure this result and how would it be administered?

QUESTIONS BY SENATOR MALCOLM WALLOP--Cont.

Answer: We envision a two-tiered system wherein each park that collects fees (whether user fees or entrance fees) would establish its own receipts account, into which would be covered all fees collected. The collecting park would retain an amount sufficient to pay for the costs of collection and an additional amount to supplement its budget for needed maintenance, research, interpretation, and resources management. This supplemental amount would be determined in advance in the regular budget and priority-setting process. All amounts remaining, if any, would be transferred to an account at headquarters. This headquarters account would be used to supplement the maintenance, research, interpretation, and resources management needs of other parks in the System, including those with little or no income from fees and those with special funding needs.

Question 3: Mr. Mott, you indicated in your remarks that additional revenues resulting from increased park entrance fees should be used to "increase our ability to maintain park facilities, buildings and equipment and for research and interpretation." If these fees are raised, will we see a corresponding decrease in future Administration budget requests for these facilities and programs?

QUESTIONS BY SENATOR MALCOLM WALLOP--Cont.

Answer: No, not under the proposal we have recommended to the Secretary. As I indicated in the response to Question 2, we are proposing that fees be used to pay for additional work in the parks that is needed but that is not now provided for in the Administration's future year planning allowances for the National Park Service.

Question 4: Are you concerned over the ability of park managers to institute new entrance fees? What kinds of costs would be associated with start-up? Do you have adequate personnel to handle fee collection? If not, how would you propose to collect these new fees?

Answer: Park managers have indicated that new entrance fees would be feasible at about 100 parks where they are not now collected. Start-up costs will be principaily for construction of a collection building or other facility to shelter the collection personnel and salaries of collecting personnel. In some instances additional personnel would have to be hired; however, we would recommend that any fee legislation also permit collecting by volunteers.

QUESTIONS BY SENATOR MALCOLM WALLOP--Cont.

Question 5: Do you feel that the criteria contained in the Land and Water Conservation Fund Act for charging user fees are too stringent? If so, how would you modify them?

Answer: The National Park Service charges user fees primarily for campgrounds. The user fee criteria in the Land and Water Conservation Fund Act are broad enough to allow for fee charges according to the level of services offered by the National Park Service.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 21 1985

Honorable Malcolm Wallop, Chairman
Subcommittee on Public Lands, Reserved
Water, and Resource Conservation
Energy and Natural Resources Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

During recreation user fee oversight hearings on June 27, 1985, before your Subcommittee, questions arose as to the general policy of the Administration in this area.

This letter is to inform you of the guiding principles of the Administration's policy on fees for use of the Federal outdoor recreation estate, and of our views on the general content of legislation needed to enable modification of agency user fee systems in accordance with those principles.

The primary thrust of the Administration policy is to call upon those who use the Federal outdoor recreation estate to pay more towards its upkeep and maintenance than is paid by those general taxpayers who do not use it. At the same time, we believe the fees charged should be related to the Federal cost of providing the services and facilities used, and be perceived as generally fair by those who pay them.

Thus the Administration believes that an equitable fee system for users of the Federally managed outdoor recreation estate should:

- recover from users, rather than the general taxpayer, at least 25% of the Federal cost of providing recreation services as proposed by the President's 1986 Budget and deficit reduction plan, to enable reducing Federal budget costs without cutting back on programs and services.

- be reasonably consistent among Federal agencies as to the sorts of areas, facilities, and services for which fees are charged, and the general level of fees.

- include entrance fees for recreation areas wherever feasible and appropriate, recognizing that each has unique natural, managerial, and visitation characteristics that must be considered.

- include fees for use of facilities and services unless the cost of collection would exceed fee revenue.

- o include a permit fee or other special fee for use of areas where special management action is necessary to protect the safety of recreational users or to protect the natural resource from damage by users.

- o in setting Federal fee levels, consider the prices charged by the private sector, as well as by state and local governments, for use of comparable outdoor recreation facilities and services.

- o make entrance and user fee revenues available to the collecting agency for operation and maintenance of recreation areas and facilities.

On the other hand, the fee system should not:

- o assess charges where no good or service is being provided.

- o dedicate fee revenues for the capital cost of acquiring additional recreation lands or the construction of roads.

- o require issuance of fee bearing permits for hunting or fishing.

- o assess fees for the entry of multiple-use lands for general recreation use not necessitating special management or facilities.

- o assess entry fees for areas that do not have relatively controlled access, or that are for other reasons infeasible or inappropriate entrance fee-bearing areas.

- o compete unfairly with non-Federal government or with private outdoor recreation providers.

We believe that new recreation fee legislation in 1985 should, at a minimum, not foreclose implementation of any of the above principles and should:

- o remove limitations on increasing and extending entrance fees at units operated by the National Park Service, and extend permit fee authorities to other agencies managing recreation lands and facilities.

- o authorize an increased price for the Golden Eagle passport.

- o remove statutory limitations on the types of recreational facilities and services for which fees may be collected and statutory requirements to provide free recreation facilities.

- o provide for the selling of permits and collection of fees by volunteers, businesses and nonprofit organizations.

- o provide for the return of revenues from fees into an account of the collecting agency to be used for operation and maintenance of that agency's recreation facilities.

As for the general procedure, we believe that a considerable degree of executive discretion should be permitted in setting entrance and user fees. This is because the large number of Federal recreation facilities (literally thousands), their wide diversity of characteristics, and the range of services offered make it very difficult if not impossible to impose a single national fee schedule, or even to group the facilities into a limited number of fixed classes on which to impose national fee schedules. We also believe that needed periodic adjustment in fee levels for specific individual areas or services to react to changes in conditions, services, or visitation patterns can best be done administratively.

I hope that this adequately explains our general posture on recreation user fees, and will be of some use as your Subcommittee continues deliberation on this matter.

Best wishes.

Sincerely yours,

James C. Miller III
Director

APPENDIX II

Additional Material Submitted for the Record

United Mobile Sportfishermen, Inc.

Member Organizations:
Assateague Mobile Sportfishermen • Cape Hatteras Anglers Club • Cape Lookout Mobile Sportfishermen
Delaware Mobile Sportfishermen • East End Anglers Club • Farragut Striper Club
Great South Beach Mobile Sportfishermen • Happy Hookers Fishing Club • Hartford Surf Club • Long Island Beach Buggy Association
Massachusetts Beach Buggy Association • Mobile Sportfishermen of Connecticut • Montauk Surfcasters Association
Nags Head Fishing Club • New Jersey Beach Buggy Association • North Carolina Beach Buggy Association
Rhode Island Mobile Sportfishermen • Thundermist Striper Club

Affiliations:
National Coalition For Marine Conservation • National Outdoor Coalition • United Four Wheel Drive Associations

Executive Director
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Dave Zelinski
7 Cottonwood Drive
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(603) 883 3884

The Honorable Malcolm Wallop, Chairman
Senate Subcommittee on Public Lands,
Reserved Water and Resource Conservation
Attention: Tony Bevinetto
308 Dirksen Senate Office Building
Washington, D.C. 20510

June 17, 1985

Dear Senator Wallop,

This letter is submitted for the record of your subcommittee oversight hearing on recreation fees authorized by the Land and Water Conservation Fund Act (LWCFA) which is scheduled for June 27.

For some time now we have been concerned with the drastic rise in "special recreation permit" fees (authorized under 16 USC 460 l-6a) which our members are charged in order to gain access to coastal beaches administered by the Department of Interior, in order to pursue their sport.

Although we have brought this concern to the attention of the Department in an April 24, 1984 letter, we have been orally told that they have instituted a nationwide review of the user fee issue and these concerns will be included in that review. We have not been advised or received any other response to the particular issues raised on this matter and are hopeful that your oversight hearing will lead to restoration of some equity for our members.

Our 10,000 members use an over-sand vehicle (a 4 wheel drive or ORV in federal language) for access to coastal beaches in order to gain access to otherwise remote and inaccessible sections of the shore in order to locate fish and to keep up with moving schools. On federal beaches this occurs on lands of the national seashores/recreation areas of the National Park Service and national wildlife refuges of the Fish and Wildlife Service. This use has existed for several generations; both before and after many of these areas were administered by the federal government.

It is for this reason we call ourselves mobile sportfishermen. The over-sand vehicle allows the sportfisherman to reach areas that would not be accessible to the fisherman on foot and required to walk in chest high waders and carry all the equipment of the sport.It provides a thoroughly enjoyable and successful recreation experience that is not available to the fisherman traveling by "shank's mare". For the very young, aged and disabled it allows access that is otherwise denied.

Our members supported creation of many of these areas in order to preserve a recreational way of life and most of the area enabling acts recognize and provide that fishing is an acceptable use. Without the vehicle access, sportfishing would be severely restricted to an area perhaps ½ mile distant from the access point with the majority of the shore inaccessible and fishing therefore denied.

There is a question in our mind as to whether Congress intended that a fee should be charged for the only means of practical access to public lands in order to pursue a sport that a national seashore enabling act explicitly requires shall be allowed.The vehicle use existed prior to creation of these seashores and the Congress knew of it and it's purpose.It would seem to us that with this knowledge and by providing for continued fishing access in the act establishing the seashore, that Congress accepted and authorized this means of access in recognition of it's practical considerations.This belief seems to be confirmed by 16 USC 460 1-6(a)(4) which specifically requires that "no fees of any kind shall be collected from any persons who have a right of access for hunting or fishing privileges under a specific provision of law ..."Yet federal OHV permit fees are being collected for this access privilege, and frustrate this public access policy.

As sportfishermen we know that you authored creation of the Wallop-Breaux Fund and of your successful efforts to overturn the OMB impoundment of these funds. We are very appreciative of your decisive efforts on our behalf.The W-B Fund created a user fee we can understand and support.As contributors to the fund we will see a beneficial return of our contributions.As the saying goes "sportsmen pay for conservation",and we are quite willing to continue.

With regard to OHV permit fees for mobilesportfishing access, there has been no discernable cost to the federal government to provide the access, nor a return to the contributor for his contribution. It is viewed simply as a tax to raise revenues.

We recommend that the LWCFA be revised to allow user fees to be retained at the area where it is collected and to be used for the benefit of the uses for which the fee is imposed.Where policy requires provision for a use, no fee should be charged for the means of accessing that use unless a federal expense is incurred; in which case the fee should not exceed the expense.

We also suggest that if the Administration's policy of user fees is to be expanded that backpackers and other users of public lands, including Wilderness areas also contribute their equitable share. We feel the present provisions of the LWCFA selectively apply a fee to certain users while allowing others to escape and is therefore discriminatory. Our members give generously of their time, labor, fuel and equipment costs in performing conservation projects on federal lands which would otherwise go undone or require expenditure of federal funds. Perhaps these contributions also merit consideration in a user fee structure.

There is also a need to consider application of the Golden Eagle and Golden Age Passport concept to "special recreation permit" users so that retirees and others who visit more than one national seashore or other federal area are not assessed more than their equitable share of costs, especially when there are no material federal costs connected with the privilege.

Enclosed for your information is a copy of our letter of April 24,1984 to the Assistant Secretary of Interior for Fish, Wildlife and Parks referred to earlier. It details our grievances with user fees at Assateague Island National Seashore. Many of the points raised are applicable elsewhere.

We trust your oversight hearings will produce substantive results that so far we have been unable to obtain from the Department. That they provide impetus through Congressional direction for movement by the Department to correct the inequities we believe exist.

We are appreciative of your interest in this matter and of the opportunity you have provided to offer our comment.

Respectfully,

William E. Miller

encl.

copy to:
NPS (P.Daniel Smith) w/o encl.
DOI (C.Potter) " "
J4WLA " "
ARC " "
JMS internal " "

P.S. Enclosed also is a copy of a Dec.17,1984 letter to Senator Mathias from George T.English Jr (not a member of our organization) which is one of a series of letters to the Senator on the same issue at a National Wildlife Refuge.

W.E.M.

3508 Woodridge Avenue
Silver Spring, Maryland 20902
December 27, 1934

The Honorable Charles McC. Mathias
United States Senator
Weber Building, Suite 212
9420 Annapolis Road
Lanham, Maryland 20760

Re: Your transmittal letter dated
November 26, 1984

Dear Senator Mathias:

I want to thank you for your assistance in securing a reply from the Fish and Wildlife Service (FWS) to my complaint about the management of off-road vehicles (ORV's) at the Chincoteague National Wildlife Refuge (NWR). Although I appreciate receiving the organization's answer to my letter of October 4, 1984, which stated specific NWR management abuses, I do not agree that FWS' reply dated November 19, 1984 was responsive to my concerns. In this letter, I will separate my rejoinder into (1) legal/user equity issues, and (2) ecological/environmental protection issues.

The FWS reply did not mention the fraudulent aspect of the present Chincoteague NWR ORV management plan. To "oversell" access or charge one distinct group of users fees for access while not charging other distinct user groups fees for access to Assateague Island is blatant discrimination against the penalized group. No fees are charged to non-ORV users of the Chincoteague NWR, but ORV users who wish to drive in the designated beach areas are first required to purchase a weekly permit for $10 or an annual permit for $35. In contrast, the National Park Service (NPS) charges all vehicles $2 for daily access or $10 for an annual permit (i..e, the "Golden Eagle") to visit our national parks. Hence, it is hard to accept the notion that all of the costs for providing access to Assateague Island are due only to FWS' provision of added services for the small number of ORV users, while the vast majority of other users (who require facilities, life guards, trash cans, paved roads/parking areas, etc.) are responsible for none of the cost. Other than a planked ramp over the primary dune, two air stations, and a few signs along the beach, ORV owners receive no more services than do other users from the NWR. Consequently, it is my conclusion that the fees charged to ORV users are deliberately designed to be discriminatory and punitive.

If the FWS were truly concerned about equitable treatment of the public, it would charge all users the same basic access fee, with a modest surcharge for those ORV users who desire to use the designated ORV beach areas. Accordingly, I propose that FWS charge all vehicular users (except bicycles) the same fee for access to Chincoteague NWR as does the NPS for access to the national parks (i.e., $2 daily/$10 annually). An additional $1 daily/$5

annually should be charged to ORV users desiring access to the designated beaches. In any case, the daily access fee and ORV surcharge should not be collected if vehicular access is limited because of crowded conditions, as occasionally occurs during summer weekend periods. Furthermore, current NPS "Golden Eagle" pass and Federal waterfowl stamp (i.e., duck stamp) holders should be allowed free entry to NWRs.

With respect to the FWS reply to my criticism of the 12 vehicle per mile standard used to limit access to the designated ORV beach areas, the FWS reply did not provide any supporting documentation for its position. No mention was made of previous studies conducted to support the imposition of the 12 vehicle per mile "standard," only the need to conduct new studies if the so-called "standard" were to be exceeded. What proof is there that 13 or 23 vehicles per mile would irreparably harm the environment? Consequently, the FWS "standard" is arbitrary and capricious!

Before denying access to the tax paying citizens, the FWS managers ought to be sure of their facts! In support of my assertion that their "standard" is indefensible, I suggest that they visit the Hatteras Island National Seashore in North Carolina, specifically the Cape Point beach area where unlimited/uncontrolled ORV access is permitted by the National Park Service. No fees are charged, no inspection of vehicles is required, and no services other than planked ramps over the primary dune and a fish cleaning table are provided. Despite the extremely heavy ORV use of this area, the plentiful number of sea birds which abound at Cape Point belies any suspicion that the NPS is derelict in performing its duties through its low-key management approach!

Finally, the use of Executive Orders 11644 and 11989 as a substitute for Congressional Legislation is suspiciously like "government-by-decree" that characterizes many third world and most socialist governments. The NPS seems to interpret its mandate under these Executive Orders far differently than does the FWS, thus the dichotomy in the management approaches for ORV's at Cape Hatteras versus Assateague Island. Management of our natural resources does not have to mean absolute totalitarian control, as the difference in ORV management philosophies between these two Department of Interior agencies indicates. The NWR areas under FWS supervision were not established initially with the intent of fostering discrimination and extortion upon one group of visitors under the guise of "protecting the environment." Assessed fees should reflect actual costs and should be charged equitably to all users of NWR facilities, not just ORV operators desiring access to the designated beach areas.

I suggest that the Congress investigate and rectify the bureaucratic abuses which the arbitrary and discriminatory behavior of the Fish and Wildlife Service has caused by its government-by-decree (i.e., administrative fiat) approach to citizens' legitimate rights.

Thank you for your continued assistance in resolving this matter.

Sincerely,

George T. English, Jr.

Enclosures

United Mobile Sportfishermen, Inc.

G.Ray Arnett
Assistant Secretary
Fish,Wildlife and Parks
Department of Interior
Washington,D.C. 20240

April 24,1984

Dear Ray,

At the March JMS meeting I became aware of drastic hikes in ORV permit fees for Assateague Island National Seashore (AINS). It was not too long ago that there was no fee. Then a $5 fee was instituted which although reasonable; in hindsight appears to have been just a planned start and pernaps should have been opposed. In 1982 the fee was raised to $15 and now in 1984 it is $30.

In a period of three years the fee was increased six fold. I can think of no other federal entry/use fee that has seen this sort of escalation.It has no connection whatsoever to the inflationary rate or comparable services and facilities provided commensurate with the increase.

Apparently there has not even been an increase in law enforcement presence on the beach to assure visitor safety and resource protection so that the 144 vehicle limit could be raised and therefore end the frustration of those who have come to fish and are turned away because the limit has been reached. (The reasonableness of this 144 vehicle limit is another matter that needsto be discussed at another time.)

In sum, the increases are without rational justification and are exhorbitant.I can only hope that they are not deliberately intended to "sock it to" the mobilesportfisherman, but from where I sit one might make a case for this sort of discrimination.

In addition, while the short term visitor was recognized in the 1982 hike by establishing a lesser fee (of $10) in 1984, it is unfortunately among this class that a greater monitoring of misconduct is necessary. Their fee was not effected by the 1984 hikes; thus in the three year period their increase has been a two fold one so that they are not bearing a comparable share of enforcement personnel costs, which in any event has not been committed

In examining the statutory fee setting criteria which was authorized by the Land and Water Conservation Fund Act (LWCFA), we find that it (16 USC 4601-6a(d)) specifies that fees shall be fair and equitable,taking into consideration the direct and indirect costs to the government, benefits to the recipient, the public policy or interest served,the comparable recreation fees charged by non-federal public agencies.The LWCFA (16 USC 460la(c)) authorizes special recreation permit fees for "motorized recreation vehicle" uses.

In accordance with each of these criteria we offer the following comment:

a. Fair and equitable

We believe the fee is neither. The cost of a Golden Eagle Passport for free admission to all entrance fee units is $10 and provides access to real property capital investments provided by the government as well as to services provided by NPS personnel. The vehicle permit fee exceeds the cost of this passport and only allows access to one unit,AINS.

The Golden Age Passport is provided free of charge to those who attain age 62 (and the similar free lifetime admission permit for federally recognized disable persons) and provides free admission to these units. The later two permits/passports provide a 50% discount on recreation use fees for use of major federal investments such as campgrounds which can charge a use fee of as little as $3 per day for group use; often in direct competition with similar facilities /services offered by the private sector,which charge fees well in excess of federal use fees.There is no similar discount for senior citizens or disabled trying to live on a fixed income in regard to the vehicle fee, which was ½ the cost of the Golden Fuel Passport a couple of years ago and which is now three times its cost.

b. Direct and indirect government costs

There have been no capital investments,direct or indirect, by the government for the area of mobile sportfishing use. The only cost expense incurred is that necessary for law enforcement for which a personnel expense would be required even in the absence of any mobile sportfishing activity.There has been no discernable increase in enforcement activity since inception of permit fees or any other service or beneficial return to permittees that are funneled back to enhance this particular outdoor recreational program. In addition, members of Assateague Mobile Sportfishermen are available to assist the NPS with conservation and volunteer projects in the use area if needed to help minimize any expenses.

Rather, it seems, the fee is nothing more than a revenue raising measure that has now been raised to the level that the traffic will bear, even if it will result in denial of access to the shore for those unable to afford the cost of access for their sport.

c. Benefits to the recipient

The permit allows mobile sportfishing and hunting access to seashore resources. Without it such access would be confined to an extremely limited area thereby severely curtailing access to the majority of resources and eliminating the opportunity to search

ter and find the fish or the ability to keep up with moving schools and would similarly deny hunting opportunities.The permit also provides an opportunity for some to engage in off road vehicle driving activity for that recreational purpose only.

The ORV fee serves to discourage mobile sportfishermen from availing themselves of the benefits of seashore fishery resources for those least able to afford it as well as those from afar who are able to only occasionally travel to the seashore during peak fishing seasons.

e. Public policy or interest served

Section 1 of the AINS enabling act specifically requires that hunting and fishing shall be allowed.The permit fulfills that requirement in part by authorizing mobile sportfishing access to the southern portion of the seashore.In addition,in conjunction with implementing regulations for the use it satisfies the requirements of executive orders with regard to ORV use.It helps to fulfill the mandates of the Coastal Zone Management Act to provide for and improve recreational access to the coast; in particular those recreational activities that are dependent on such access for fulfillment. The fee works to reverse effectuation of these policies/interests.

f. Comparable recreation fees charged by non-Federal public agencies

Although the LWCFA authorizes establishment of user fees, it does not require it; even when comparable non-federal or private use areas are nearby, nor require that federal fees be equal.

In review of Public Law 95-303 legislative history, an OMB letter discussed complaints from the non-federal and private sectors that federal use fees were too low and implied that unfair federal competition caused revenue loss to these parties.In that scenario the federal competition was hurting these parties. Where there are no other nearby use areas or a question of loss of revenues from federal competition there should be no effort to limit use of public resources or create an artificial fee barrier to such use.

With regard to other comparable nearby non-federal agency or private mobile sportfishing areas, there are no others in the entire State of Maryland. AINS is the only game in town for Maryland residents. The only other areas on the entire Delmarva Peninsula are those operated by the State of Delaware of which there are three state parks (Cape Henlopen, Indian River and Fenwick Island State Parks). The total miles of beach available for mobile sportfishing provided by the State of Delaware exceeds that of AINS by at least 80% and a $30 ORV permit provides access to all areas as well as to parking areas at state parks. The state provides air compressors at the parks for re-inflation of tires and for the AINS affiliate in the State (Delaware Mobile Sportfishermen) they also furnish picnic tables and porta-john sanitary facilities to accomodate this affiliate's annual (picnic) event on the beach.

Non-residents (e.g.from Maryland)are charged a fee double that of Delaware residents which obviously discourages out of state visitors from using these facilities. Fenwick Island S.P. is some 22-24 miles distant from AINS, Cape Henlopen S.P. is 43-44 miles away with Indian River S.P. some intermediate distance between the two.

None of the three parks have any limit on the number of vehicles allowed entry, thus as is the case with AINS, no one experiences the frustration of being denied access to the beach after having traveled many miles due the vehicle limit being reached.

In sum, there are no comparable use areas in the commuting region and even those outside the region have superior provisions, thus there is no comparability.

f. Special recreation permit fees for recreation vehicle use

The LWCFA (16 USC 4601-6a(c)) specifies that fees for this use may be set; it does not require it. It is our belief that the definition of recreation vehicle use would identify such use as those forms of recreation that are derived directly and exclusively from the operation of the vehicle. There are those whose use of Assateague beaches are for the purpose of off-road driving. There is the mobile sportfisherman who derives his recreation from the sport of fishing. The vehicle serves the purpose of providing access to the beach and the fishery resources in the absence of other practical access to the beach and the fishery resources, and which permits transport of food, clothing, tackle, equipment, bait, catch and provides shelter in inclement weather. It aids in and enhances the sportfishing experience and the right of access privilege for hunting and fishing granted by Section 1 of AINS enabling law. It is therefore our belief that establishment of permit fees for mobile sportfishermen is not in accordance with the LWCFA which established the user fee system and which explicitly specifies (16 USC 4601-6a(a)(4)) that no fees of any kind shall be collected from any persons who have a right of access for hunting or fishing privileges under a specific provision of law. In view of the lack of other alternate means of access to the shore for fishing it seems to us the fee violates this provision of law with respect to mobile sportfishermen's access.

In conclusion, the latest fee hike has become oppressive and can no longer be ignored. We believe there is no fairness, equity, relationship to government costs incurred, benefit returned to the recipient, comparability or justification under provisions of law. We therefore request that you order a review as specified under Section 4(c)(1) of Executive Order 11200 (Establishment of Recreation User Fees).

Respectfully,

Bill Miller

William E. Miller

UNITED FOUR WHEEL
DRIVE ASSOCIATIONS
of U.S. and CANADA
8900 N. Camino de Anza Tucson, AZ 85704

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Senator Malcolm Wallop
U.S. Senate
Washington, DC 20510

July 4, 1985

Dear Senator Wallop:

I recently learned that your Sub-Committee on Public Lands was studying the issue of recreational user fees. I would appreciate an opportunity to comment on this subject.

Having worked for the U.S. Forest Service back in 1965 when the "first" recreational user fees were first implemented I can speak from some experience. Also being involved with organized recreation for well over 10 years now I can relate to experiences, impressions, and desires of the recreationists who will have to "pay".

Basically the concept of recreational user fees is largely supported by recreationists. Most people realize that nothing is "free". The questions in people's minds relate to equity and uses of the fees collected. The fee charged the recreationist must be equitable. The fellow camping in a tent alongside the road shouldn't pay as much as the fellow with the 40ft. rolling hacienda. Most importantly the fees collected must be ear-marked to be used in the areas and for the purposes that they were collected. The fees paid by outdoor recreationists must be used to further enhance the campgrounds, etc. that they were collected in. No one wants to see their dollars going to a "general fund" that buys pool cues for some nieghborhood rec-hall in downtown DC.

The federal agencies providing for public outdoor recreation need an equitable user fee system. The agencies just don't have adequate funding to provide for this vital need of our society. We need a recreational user fee that "dedicates" the fees collected for enhancement of the facilities and providing for more recreational opportunities. Perhaps one way to provide the facilities needed would be to "lease" certain public recreational sites to commercial developers. Equitable fees could be established and certainly money collected would be turned back into the enterprise to further profits. This would of course require adequate legislation to extend leasing periods beyond the present limitations so that the entrepeneur can find the necessary financing.

I do believe that equitable and manageable recreational user fees can be formulated. With a little understanding of the needs of recreationists, some creative thinking, and a system of dedicated fees there should be little problem in implementing this program.

Sincerely;

Stu Bengson

Stu Bengson
Director, Land-Use
UFWDA

CC: Derrick Crandall, ARC

RESPECT...PROTECT...AND ENJOY: LAND, WATER, MOUNTAINS, AND SUN RESOURCES

UNITED FOUR WHEEL
DRIVE ASSOCIATIONS
of U.S. and CANADA

DAVE HANNUM
President
2021 South Bell
Kokomo, IN 46902

June 18, 1985

Senator Malcolm Wallop, Chairman
Sub Committee on Public Lands, Reserved Water, and
Resource Conservation
308 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Wallop,

I would like to take this opportunity to express my concerns over some of the various user fees being charged people using federally run recreation facilities. Some areas, most notably some of the NPS run Seashores, are charging rather large fees that provide absolutely no benefit to the area in which they are collected.

Most users of national recreation areas do not have a problem paying some form of fee to use the area IF that fee goes to benefit the area where it was collected. It is extremely hard to justify collecting a $30 fee at a Seashore, putting the money into the Land and Water Conservation Fund to benefit some unknown facility. Why should the user of a recreational vehicle at a Seashore have to pay money to fund a wilderness area somewhere when the people who want the wilderness area pay absolutely nothing to use it? I would be most interested in seeing a valid justification of this theory.

Possibly more federal agencies need to look to the Forest Service for direction on charging fees. Where they provide improved facilities, such as campgrounds with full facilities, they charge user fees. Where they provide minimal or no facilities, such as horseman's camps, they charge no fees. This is the theory that must prevail. On top of this, legislation must be enacted to provide for the majority of fees collected to stay at the facility where they are collected.

It is highly possible that major tourist attractions such as Yellowstone may, in fact, "turn a profit" by generating more than enough income to pay for their needs. These excess funds should go to a general fund for use elsewhere. Possibly a fixed percentage of all funds should go to the general fund, but the need for funds to remain where they are collected remains. The campground, or other facility that is heavily used should be able to turn its collected fees around and use them to provide improved facilities for its patrons. Why should it support a swimming pool in downtown New York City?

Thank you for this oportunity, and for your continued interest in providing Americans with the best possible recreational opportunities. I hope that your sub-committee will be able to develop improved legislation to further benefit national recreation facilities.

Sincerely,
David Hannum

David Hannum

RESPECT...PROTECT...AND ENJOY: LAND, WATER, MOUNTAINS, AND SUN RESOURCES

RAILS
Va | Assn

VIRGINIA TRAILS ASSOCIATION
13 West Maple Street
Alexandria, Va. 22301
703-548-7490

Please reply to:

July 8, 1985

TESTIMONY FOR THE SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION OVERSIGHT HEARING ON RECREATION FEES AS AUTHORIZED IN THE "LAND AND WATER CONSERVATION FUND ACT OF 1965" AS AMENDED

I am Jeannette Fitzwilliams, the director for Planning & Development of the Virginia Trails Association, a volunteer organization promoting all kinds of non-motorized trails in Virginia. Also as past president of the National Trails Council, I have been representing all kinds of trails on a "self-appointed" committee meeting with the Forest Service on their plans for fee legislation.

I should like to make a suggestion about how to tackle the problem of designing fee legislation to apply to federal agencies such as National Park Service, Forest Service, BLM, Fish & Wildlife, Corps of Engineers, etc. It is based on the many discussions our Forest Service Committee has held and also on the arguments I heard at the Fee Oversight Hearing on June 27th.

The suggestion is this: Treat the problem as 3 separate and distinct problems --one for each type of fee: 1) User Fees, 2) Special Event Fees 3) General Permit Fees.

They can all be covered in the same act but each needs to be treated separately because the rationale for collection, citizen attitude towards collection, the how, when and where of collection and what to do with the fees when collected is different for each of the three types of fees. Let me explain further.

USER FEES

Examples: These are site-specific services for the exclusive use of the payor while being used by him. They include such things as a campsite, a parking space for a backpacker who expects to be away for several nights, a hot shower, a shuttle service for some one running a rapid.

Ratioonale: These are amenities and facilities over and above those needed for the protection and good management of the resource. They only benefit a very small

fraction of the visitors to the resource and an even smaller fraction of the taxpayers but their provision is quite costly. Also, in many cases, it is necessary for the full enjoyment of the recreational potential of the area.

Public Attitude: Most people expect to pay for such services. Such fees have been charged for many years without objection. The question now is: should the fees be increased, should they be extended to new campgrounds and/or facilities, how much of a service should be provided to justify a fee and should the fee vary with the quality of service.

How collected: Big expensive campgrounds could collect at the entrace where space is allotted or arrangements made for the shuttle or other service. At smaller sites where collectors are not feasible, the current locked box or meter systems seem to be very satisfactory. Most people are honest and the occasional patrol will discourage freeloaders as well as providing the necessary protection and management supervision.

Who Gets the Fees: The whole of the fee (less strictly controlled cost of collection) should go to the maintenance and improvement of recreational facilities. However, not necessarily to the collecting site. I should like to suggest the following:

* A sliding scale of retention by the collecting "ranger district"--say 90% if occupancy is less than 50% graduated to 70% if occupancy equals 80% or greater.

* The remainder to go to the "Recreation Maintenance and Operation Fund" to be described below.

There is a twofold rationale for this suggestion:

* Once the decision has been made to furnish such services, costs are incurred irrespective of how much the service is used. Some sites, due to their location near cities or good roads or some special feature, will attract much use and receipts may exceed the cost of providing the service. Others will have relatively little use and costs will greatly exceed collection. By this suggestion the fees collected for the most popular sites will be used to maintain and improve the less accessible or to develop additional sites.

* Each "ranger district" should be encouraged and given an incentive to maintain an attractive site but practices resulting in "over use" should be discouraged. In fact, some sites, particularly those in the back country or near wildernesses, should be encouraged to maintain low occupany by permitting the "ranger district" to retain a larger portion of the fee.

Guidelines: Flexibility, so that fees may fit circumtances, are essential both because of the different missions of the various agencies and because of the great differences in terrain. Guidelines provide direction while leaving it up to each agency to determine where, when and how to collect fees. I can foresee the need for 4 types of guidelines:

* Those relating size of fee to degree of service provided
* Those relating type of service to "primary purpose" of the area (i.e. primitive campground in the backcountry)
* Those defining occupancy rates and how to estimate costs (perhaps better left to regulations)
* Those dealing with competition with comparable nearby private service.

SPECIAL EVENT FEES

Examples: These include enduro rides, competitive and endurance horse rides, volksmarsches, weddings, clan gatherings or any other meeting involving large numbers of people and sometimes involving the trails of several agencies.

Rationale: Though planning, management of the event and clean up after the event may all be done by the sponsoring organization, inevitably there are added costs to the agency or agencies where the event occurs--inspection of the route, approval of the plan, additional rangers on duty on the day of the event. In some cases, special remedial work may be needed by an agency to mitigate actual or potential impact on the terrain.

Attitude of Public: Most organizations sponsoring such events expect to pay for additional costs to an agency as a result of a special event. However, they would not expect to pay for routine outings--rides or hikes--such as most trail related organizations conduct on a weekly or monthy basis. They would also expect such fees to be closely related to the additional costs involved and not used to discriminate against certain types of use.

Collection and Who Gets the Fees: For certain more or less routine and frequent events such as weddings and meetings, a fee schedule should be developed for each site. For the rare or "one of a kind" event, the sponsoring organization and all the agencies involved should meet, review expected costs to each agency, agree the total fee and its allocation among agencies.

Guidelines: In view of the fact certain groups are likely to oppose certain types of events on public land, Congress should provide guidelines as to when and where special events in general may be approved. It should probably also indicate whether fees may be waived when a public purpose is being met by the event.

GENERAL PERMIT FEE

This is the fee that is the most difficult to design and about which there is the greatest difference of opinion as to 1) whether it should be imposed at all, 2) where, when and how and 3) what should be done with it.

Rationale: Parks, forests, refuges, reservoirs, etc. are created not just to preserve a resource for future generations but also,among other purposes, to provide recreational opportunities. Many say that those who benefit from those opportunities should contribute to their cost instead of expecting taxpayers to pay the total cost whether they benefit or not. And there is a cost. Access roads, trailheards, picnic areas, sanitation, safety, search and rescue all have to be provided. Trails have to be maintained. As one who has maintained trails for 30 years, I can tell you that hiking trails need as much maintence to control vegetation as any other kind of trail. While one hiker may have less impact on the land that one horseman, there are many more hikers than horsemen. Nature, even without the help of man, creates trail erosion problems that must be corrected. Backcountry and wilderness areas, because of their remoteness and relatively little use, are often the most costly areas to maintain. There are thus good grounds for arguing that general use permit fees should be collected to cover at least part of the cost of all these services. The question is: where, wher, how.

Public Attitudes: A small percentage of people as a matter of principle are opposed to any fees. On the whole, I believe, the majority of visitors to our parks (forests, etc) are willing to contribute to the cost of providing general recreation opportunities. However, many qualify their approval as follows:

* The nethod of collection and enforcement must be realistic and must be such that:

** I am not required to carry a permit at all times and be harassed if I do not have one on me.

** It is not only the law abiding that pay the fee

** Permits are easily obtainable (as at the point of collection).

* Most of my county is in the forest (park etc) and we have always had free access to it. Payments in lieu do not compensate for lack of taxes. Therefore, people near such forests (parks etc) should be exempt when using these forests.

* I am a volunteer. I and my club have maintained trail for years and I do not see why I should buy a permit.

* I approve of permit fees but not for "My Park", "my trail", "my river" "my wilderness".!!!

I believe there would be general opposition if any attempt was made to turn our natural resouces into money making assets or to divert fees collected to

nonrecreational purposes.

How Collected: This is one of the real sticking points. Many parks, forests, refuges, reservoirs, etc. have a major point of entry. In this case, there could be a collection point where every car entering would pay either a single visit fee or show (or buy) an annual permit. Since people dont only arrive in cars a comparable fee would be collected (or permit shown) for bicyclists, runners, busloads, ORVers,horsemen. Such collection points would be manned at those times and seasons when, in the opinion of the supervisor, traffic would warrant stationing some one on the "gate".

However, some installations have so many points of access or so little use at any one point that a collection gate would not be warranted. The Forest Service maintains that this is true of most of its ranger districts. However, even the Forest Service has a great number of campgrounds giving access to all sorts of trails and recreational opportunities that are sufficiently popular to warrant a point of collection. The real problem for the Forest Service is they want to keep what they collect and realize they would fare badly compared to others. (For the solution to this problem, see "Who Gets the Fees")

But concentration on where (what areas, trails, rivers, wildernesses) can permits be required or on how many permits can I sell is, I think, faulty thinking. What are we trying to do: Sell single visit permits or sell annual permits? It is the latter I think that will provide the greatest source of receipts. So long as a person is induced by the existence of a collection point ANYWHERE to buy an annual permit, it does not make any difference if he enters a recreation area by a collection point or elsewhere. This takes care of the enforcement and harassment problem. It can also take care of the local resident user problem. If the local resident has to go through a collection gate, he can be given a pass. If he also wants to use some other park or forest, he buys an annual permit like anyone else.

Who Gets the Fees The usual answer is: the collector. This usually gets approval because most people think it ensures the fees collected will be used for recreational purposes. Again, I think this shows faulty thinking for two reasons:

1. People will refuse to buy a different permit for each of the land managing agencies they might visit. It would also be very unfair to expect them to do so. When a permit is bought from one agency and used in another, who should get it?

2. Most agencies talk of making permits easy to obtain by having them available from outfitters, etc. In that case who gets the fee?

The answer to this problem is, I believe, to deposit all single visit and annual permit fees in a "Recreation Maintenance & Operations Fund"--see below.

Compulsory v. Voluntary Fees: The presentation of a permit or purchase of a single visit permit at the collection point when requested should be compulsory. However, I believe a voluntry "Friend of Federal Recreation" permit should also be made available and be equally acceptable. It should cost a little more than the basic annual fee but I think many people would be willing to pay extra, particularly if accompanied by a bumper sticker, since many people like recognition. On any given weekend, members of a family might be going to several different federal recreation areas. Father could give each child or some of his friends either a regular annual permit or the voluntary one for a present for their own use. I, as a senior citizen, have a Golden Eagle which I value because it gives me a discount at campgrounds. It is free(as is also the one for the handicapped) but I am well able to and would be glad to contribute most years to the upkeep of the trails I enjoy so much. If you doubt people's willingness to contribute, look at the success of the voluntary check-off on the income tax returns for nongame birds.

RECREATION MAINTENANCE & OPERATIONS FUND

Currently, fees go into the Land & Water Conservation Fund. But that fund is designed only to provide funds for capital acquisitions and capital improvements. It should remain such and all tempation to use it for maintenance and operational expenses should be removed.

In the future, general permit fees and part of the user fees should be put into a Recreation Maintenance and Operations Fund. A large portion of the funds collected each year should, in the following year, be appropriated and allocated to the federal land agencies in proportion to some measure of their visitor days. I say "some portion" because I believe it might be desirable that some portion of the appropriated amount--say 15%--be used for some special recreational project needed by one or other of the agencies.

I would also like to recommend that the Recreation Maintenance and Operations Fund be governed by an advisory committee made up not only of representatives of the agencies but also of representatives of the various USERS of the agency lands. This committee should be charged with:

* Formulation of the regulations needed to implement the Fee Act
* Review of the operation of the fee system
* Responsibility for recommending fee increases or changes in the regulations as needed from time to time
* Recommending each year the amount to be appropriated from the fund
* Approving the projects to be funded by the "discretionary 15%" referred to above.

I recommend that the advisory committee include representatives of the users for two reasons:

* The time to involve the public (users) is when policies (regulations, etc.) are being developed NOT after the agencies have decided what they are going to do (as is the case under the current "public participation" process.)

* Agencies only view issues from their own point of view. Our work on the Forest Service Fee Committee has shown that it is almost impossible to get an agency to understand the user's problems and point of view. It is, therefore, necessary that users have some vote in determining what regulations and allocations should be made.

REPORT ON ACTIONS BY THE FOREST SERVICE FEE COMMITTEE

In closing I would like to draw your attention to the experience and action of the self-appointed committee working with the Forest Service on the fee question. After several meetings with the Forest Service and receiving some of their proposals, we met in the fall of 1984 by ourselves and agreed on the following:

* The fee problem should be addressed by a National Outdoor Recreation Resources Review Committee and no action taken until they have had a chance to made recommendations.

* If the agencies cannot wait, then an act applicable to ALL agencies should be proposed instead of each agency having its own bill.

* In this act, Congress should set the guidelines within which each agency could determine when, where and how to set fees.

* Fees should go into a recreation maintenance fund which was to have an advisory committee that would include users.

In the spring of 1984 and again in the spring of 1985 the Forest Service invited all those interested in the fee issue to meet with it to hear the Forest Service's proposals for legislation. On both occasions they were told that their proposals with regard to permits was totally unacceptable. It was not that there was opposition to fees--actually they favored them--but the fact that the Forest Service had not thought tnrough the implications of what they were proposing. When a defect was pointed out for the second year, they would reply: "Oh, I am sure we can fix it." As they themselves said, "We dont know how to do it but give us the authority and we will find a way." That is not good enough. As a user, when legislation is proposed I want to be sure it will work, it will achieve the intended purpose, it is fair to all.

Thank you for this opportunity to give you my views on fee legislation.